FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Central Eurasia

FBIS-SOV-94-173
Wednesday
7 September 1994

Daily Report
Central Eurasia

FBIS-SOV-94-173 CONTENTS *7 September 1994*

INTERREGIONAL AFFAIRS

Premier's New Aide for CIS Affairs Profiled *[KOMMERSANT-DAILY 6 Sep]* 1
ITAR-TASS Carries Press Review for 7 Sep 2

RUSSIA INTERNATIONAL AFFAIRS

Cancellation of Perry Visit Linked to Leak *[NEZAVISIMAYA GAZETA 7 Sep]* 3
Grachev To Visit Totsk Exercise Site 7 Sep *[IZVESTIYA 7 Sep]* 3
U.S. Believes Joint Military Exercises Promote Cooperation *[ITAR-TASS]* 4
Army To Share Peacekeeping Experience With West *[ITAR-TASS]* 4
Grachev Seeks Cooperation With NATO *[ITAR-TASS]* 4
Grachev Remarks on NATO, Security *[KRASNAYA ZVEZDA 7 Sep]* 5
U.S. Visa Section Problems Analyzed *[IZVESTIYA 6 Sep]* 5
Russian Criminals Expanding in United States *[KOMSOMOLSKAYA PRAVDA 6 Sep]* 7
Official Meets UN Envoy About Tajik Settlement *[INTERFAX]* 8
Arabs, Iranians Captured in Tajikistan *[ITAR-TASS]* 8
Foreign Ministry Praises Japan Reparations Package *[Tokyo KYODO]* 8
    Spokesman Welcomes Statement *[INTERFAX]* 8
ITAR-TASS Reports on Maritime Talks in Tokyo 9
Ministry Official Assesses Jiang Zemin Visit *[ITAR-TASS]* 9
'Enormous' Promise Seen in Ties With China *[KRASNAYA ZVEZDA 6 Sep]* 10
Germans Should Remember How World Wars Ended *[KRASNAYA ZVEZDA 6 Sep]* 10
Political View of Haiti Operation 'Increasingly Obscure' *[IZVESTIYA 6 Sep]* 11
Moscow Welcomes End to IRA Campaign *[INTERFAX]* 11
Karasin Condemns Bosnian Serbs for Ethnic Cleansing *[ITAR-TASS]* 11
Stepashin Meets Lithuanian Intelligence Counterpart *[INTERFAX]* 12
Protocol Signed With Canada on Nuclear Plant Safety *[ITAR-TASS]* 12
Soskovets at MiG Plant; Details of Sales Deal with Malaysia *[ROSSIYSKAYA GAZETA 7 Sep]* 12
Future of Cooperation With China Eyed *[PRAVDA 7 Sep]* 13
Agreement on Visa-Free Travel To Be Signed With Cyprus *[IZVESTIYA 3 Sep]* 14
Country Seen Not Dependent on U.S. Grain Procurement *[NEZAVISIMAYA GAZETA 7 Sep]* 14

RUSSIA NATIONAL AFFAIRS

Political Issues

Released FCS Officer Holds Briefing on Chechnya *[Radio Rossii]* 15
Sterligov Criticizes Kremlin's Chechnya Policy *[INTERFAX]* 15
Paper Hits Dudayev's 'Provocations' *[KRASNAYA ZVEZDA 6 Sep]* 15
Shakhray Cited on Treaties With Regions *[ROSSIYSKAYA GAZETA 6 Sep]* 16
Directive on Government Representative to Parliament *[ROSSIYSKAYA GAZETA 3 Sep]* 16
Gaydar Against Extending Legislative, Executive Powers *[ITAR-TASS]* 17
Gaydar: Yeltsin Best Presidential Hope *[INTERFAX]* 17
Shaposhnikov Seen Rising as Democratic Leader *[KOMMERSANT-DAILY 7 Sep]* 17
Rutskoy Supports Early Elections *[INTERFAX]* 18
Zaveryukha at Odds With Agrarians' Leaders *[SELSKAYA ZHIZN 6 Sep]* 18
Paper Reports Attack on Former Press Chief *[TRUD 7 Sep]* 19
    Incident May Be 'Hooliganism' *[ITAR-TASS]* 19
Yerin, Alexiy II To Cooperate on Crime Prevention *[ITAR-TASS]* 19
Yeltsin Supports Restoration of Savior Christ Temple *[ITAR-TASS]* 20
Locals 'Suspicious' of UN Refugee Camp Near Moscow *[IZVESTIYA 6 Sep]* 20
Need To Combat Brain Drain Stressed *[ROSSIYSKAYA GAZETA 3 Sep]* 21

Media Issues

Paper Speculates on Likely Successor to Mironov *[KOMMERSANT-DAILY 6 Sep]* 22
Poltoranin Seen Angling for Press Committee Job *[NOVAYA YEZHEDNEVNAYA GAZETA 7 Sep]* 23

Economic Issues

Government Report Says Economy Stable *[INTERFAX]* 23
Rybkin, Chernomyrdin Hold Working Meeting *[ITAR-TASS]* 23
Soskovets To Head Banking, Finance Commission *[KOMSOMOLSKAYA PRAVDA 6 Sep]* 24

New Statute for Finance Ministry Approved *[INTERFAX]* ... 24
Members Appointed to Panel on Payment Discipline *[ROSSIYSKAYA GAZETA 3 Sep]* ... 24
Central Bank Chairman on Ruble Rate Policy *[ITAR-TASS]* ... 24
    Official on Recent Ruble Fluctuations *[SEGODNYA 6 Sep]* ... 25
Provisions of Central Bank's Ruling Eyed *[IZVESTIYA 2 Sep]* ... 25
Shokhin Views Debt Servicing Problems *[ROSSIYSKIYE VESTI 6 Sep]* ... 26
Text of Government Export Control Decree *[ROSSIYSKAYA GAZETA 6 Sep]* ... 28
Tax Contemplated To Finance Crime-Fighting *[SEGODNYA 6 Sep]* ... 29
Arbitration Court Denies Ruling on Company *[KOMSOMOLSKAYA PRAVDA 3 Sep]* ... 29
Fitur Urges Affiliation to ILO Conventions *[RABOCHAYA TRIBUNA 3 Sep]* ... 29
Inflation Slows in Last Week of Aug *[IZVESTIYA 6 Sep]* ... 30
Plan for Upgrading Road System Unveiled *[KOMMERSANT 6 Sep]* ... 30
AKKOR Leader on State of Private Farming *[IZVESTIYA 6 Sep]* ... 30
Text of Directive on Pyatigorsk Business Congress *[ROSSIYSKAYA GAZETA 6 Sep]* ... 31

Military & Nuclear Issues

List of Deputy Defense Ministers Published *[KRASNAYA ZVEZDA 7 Sep]* ... 32
Officials on Protection of Nuclear Materials *[ITAR-TASS]* ... 33

Regional Affairs

Dudayev's Troops Surround Opposition Near Groznyy *[INTERFAX]* ... 33
Dudayev Urges Population 'To Unite' *[INTERFAX]* ... 33
Chechen Official Denies FCS Officer Released *[Moscow Radio]* ... 33
Alleged 'Mass Defection' of Avturkhanov Supporters *[INTERFAX]* ... 34
'Some 200,000' at Chechen Independence Day Parade *[IPRINDA]* ... 34
Opposition Predicts New Chechen Offensive *[INTERFAX]* ... 34
Interim Council Threatens To Kill Dudayev's Kin *[ITAR-TASS]* ... 34
Ministry Rejects Treating Chechnya as Foreign State *[ITAR-TASS]* ... 35
Grachev on Troop Readiness in Chechnya *[IZVESTIYA 7 Sep]* ... 35
Russian FCS Asks for Chechnya Prosecutions *[IZVESTIYA 7 Sep]* ... 35
Cossack Treaty Does Not Imply Support for Chechnya *[INTERFAX]* ... 36
Party Leader on Petition Against Totsk Exercises *[INTERFAX]* ... 36
Gazprom Signs Lucrative Deal With Tatarstan *[KOMMERSANT-DAILY 6 Sep]* ... 36
Tatarstan on Need for Coordinated Foreign Policy *[INTERFAX]* ... 37
Maritime Territory To Include Kuril Islands *[ITAR-TASS]* ... 37
Prolonged Drought Hits Kuban Harvest Yields *[ROSSIYSKAYA GAZETA 3 Sep]* ... 38
Ryazan Oblast: Only Fifth of Harvest Gathered *[PRAVDA 3 Sep]* ... 38
Tyumen Gas Refineries Halted by Pipeline Fault *[NOVAYA YEZHEDNEVNAYA GAZETA 6 Sep]* ... 38
Gaydar Talks With Kaliningrad Oblast Officials *[ITAR-TASS]* ... 38
Rutskoy To Establish Novosibirsk Derzhava Branch *[INTERFAX]* ... 38

UKRAINE

International Affairs

Reportage on PRC's Jiang Zemin's Kiev Visit ... 39
    Jiang Arrives, Meets Kuchma *[UNIAR]* ... 39
    Jiang Comments on Arrival *[ITAR-TASS]* ... 39
    Jiang, Kuchma Sign Joint Declaration *[ITAR-TASS]* ... 39
    Jiang Stresses Importance of Relations *[ITAR-TASS]* ... 40
    Jiang, Masol Discuss Trade Relations *[Moscow Radio]* ... 40
    Ukraine's Disarmament Position Praised *[INTERFAX]* ... 40
Democrats Protest Draft Treaty With Russia *[UNIAR]* ... 41
United Arab Emirates To Buy Ukrainian Arms *[UNIAR]* ... 41
U.S. Trains Ukrainian Paratroopers *[VYSOKYY ZAMOK 27 Aug]* ... 41
Joint Naval Exercises Held on Black Sea *[Kiev International]* ... 42
Crimea Appoints Representative to Germany *[UNIAN]* ... 42
Ukraine, Sweden To Expand Cooperation *[ITAR-TASS]* ... 42
Ministry Briefing on Australia Visit Reported *[Kiev International]* ... 42

National Affairs

Kuchma Favors Signing Constitutional Agreement *[ITAR-TASS]* ... 44
Parliament To Approve Laws on Economic Reform *[INTERFAX]* ... 44
Commission Head Views Privatization *[HOLOS UKRAYINY 30 Aug]* ... 44
Rukh Official Criticizes Moroz for 'Meddling' *[Kiev International]* ... 47
Security Service Denies 'Political Opportunism' *[Kiev International]* ... 47
Country's Largest Coal Mine To Strike 8 Sep *[INTERFAX]* ... 47
Union Leader: Donbass 'Calm Before the Storm' *[ZHIZN 17 Aug]* ... 47

Lugansk Expolosion Kills 24 Miners 3 Sep *[ITAR-TASS]* ... 49
Opposition Between Miners, Lugansk Administration *[POST-POSTUP 31 Aug]* ... 49
Meshkov Received Poorly at Communist Rally *[HOLOS UKRAYINY 31 Aug]* ... 49
Saburov Warns of Possible Government Resignation *[UNIAR]* ... 50
Crimean Speaker on Relations With Meshkov, Kiev *[NEZAVISIMAYA GAZETA 6 Sep]* ... 50
Meshkov's Presidential Team Criticized *[UNIAN]* ... 51
Parliament Examimes Cost of Presidency *[HOLOS UKRAYINY 31 Aug]* ... 51
Leaders Comment on Sevastopol Council Resolution *[KIYEVSKIYE VEDOMOSTI 31 Aug]* ... 51
Crimea's Stance on Privatization Examined *[GOLOS KRYMA 26 Aug]* ... 52

WESTERN REGION

Belarus

Belarus To Sign Partnership for Peace Program *[ITAR-TASS]* ... 54
Foreign Minister Holds Briefing on Plans *[BELAPAN]* ... 54
    Seeks Close Cooperation With Russia *[INTERFAX]* ... 54
Yeltsin, Chernomyrdin Visit 'Expected' 8 Sep *[BELAPAN]* ... 54
Kastenka, Russian Official Discuss Troop Withdrawal *[Minsk Radio]* ... 54
Syanko Protests to Russian Envoy Over Article *[Minsk Radio]* ... 55
Lukashenka Interviewed on Russian TV *[Moscow TV]* ... 55
'Shortage' Prompts Drafting of Reservists *[BELAPAN]* ... 56
Commission Reveals Violations in Border Troops *[Minsk Radio]* ... 57
Demotion of Hryb's Relative Could Cause 'Standoff' *[SEGODNYA 7 Sep]* ... 57

Moldova

Prosecutor's Office Seeks To Ban Opposition Parties ... 57
    Christian-Democrats Issue Protest Statement *[INTERFAX]* ... 57
    'Edinstvo' Condemns Pressure on Parties *[BASAPRESS]* ... 57
14th Army Launches TV Broadcasts *[NOVAYA YEZHEDNEVNAYA GAZETA 7 Sep]* ... 58
Agreement on Fruit, Vegetable Supplies to Russia *[SELSKAYA ZHIZN 3 Sep]* ... 58
Arbitration Court Declares 25 Enterprises Bankrupt *[BASAPRESS]* ... 58

CENTRAL ASIA

Kazakhstan

Almaty To Step Up Cooperation With CSCE *[ITAR-TASS]* ... 59
Nazarbayev: Transfer of Capital to Akmola Can Wait *[INTERFAX]* ... 59
Nazarbayev on Efforts To Save Aral Sea *[INTERFAX]* ... 59

Kyrgyzstan

Parliament Sets 13 Sep for Emergency Session *[INTERFAX]* ... 59
Presidential Spokesman on Referendum's 'Main Goal' *[INTERFAX]* ... 59
Akayev Issues Decree To Protect Foreign Investments *[INTERFAX]* ... 60

Tajikistan

Documents Claim Interference by 'Arab Mercenaries' *[ITAR-TASS]* ... 60
UN Envoy Meets Rakhmonov; To Meet Opposition *[ITAR-TASS]* ... 61
Text of Rakhmonov Letter to UN Security Council *[INTERFAX]* ... 61
Report Says 476,000 Refugees Repatriated *[Dushanbe Radio]* ... 61
Official Refutes Success of Tajik Opposition *[INTERFAX]* ... 62
Russia's Interests in Tajikistan Pondered *[ROSSIYSKAYA GAZETA 3 Sep]* ... 62
Spokesman: $4 Billion Needed To Restore Economy *[INTERFAX]* ... 64

Turkmenistan

President Prefers Bilateral Links With CIS *[INTERFAX]* ... 64
Cabinet Discusses Upcoming CIS Meeting *[INTERFAX]* ... 65
Delta Airlines Contract With Government in Doubt *[INTERFAX]* ... 65

Uzbekistan

Economic Cooperation Accord Expected With Ukraine *[NEZAVISIMAYA GAZETA 6 Sep]* ... 65
    Three Documents Signed *[INTERFAX]* ... 65
Ukrainian Ambassador Seen Disrespecting Uzbeks *[SEGODNYA 6 Sep]* ... 66
Delegation Considers Cooperation With Tyumen Region *[ITAR-TASS]* ... 66

CAUCASUS

Armenia

Cease-Fire Violations on Border Reported *[Yerevan Radio]* ... 67
Ter-Petrosyan Says Karabakh Truce Must Be Permanent *[INTERFAX]* ... 67

Russian Newspapers Available at Newsstands *[KOMSOMOLSKAYA PRAVDA 5 Sep]* 67

Azerbaijan

Talks on Karabakh, Armenia's Approach Viewed *[Baku Radio]* 67
U.S. Urged To Take Specific Steps on Karabakh *[SEGODNYA 6 Sep]* 68
UN Cannot Afford Karabakh Peacekeeping Operation *[INTERFAX]* 68
Ex-President in Nakhichevan Expects Attack Soon *[INTERFAX]* 69
Damage Caused by Armenian 'Aggression' Reported *[Baku Radio]* 69
Trains Diverted From Chechnya For Safety Reasons *[ITAR-TASS]* 69
Anticrime Operation Mounted Near Iran Border *[INTERFAX]* 69

Georgia

Russian Troops Carry Out Tactical Exercises in South *[SAKINFORM]* 69
  Armenian, Georgian Defense Ministers Attend *[IPRINDA]* 69
Shevardnadze Appoints Army Representative to CIS *[Tbilisi Radio]* 70
Shevardnadze Meets Indian Ambassador *[Tbilisi Radio]* 70
Governmental Delegation Leaves for Moscow *[SNARK]* 70
  Premier Heads Delegation *[INTERFAX]* 70
CIS Assembly Secretary General Arrives on Visit *[ITAR-TASS]* 70
Chikvaidze Signs Accord With Migration Organization *[SAKINFORM]* 70
Major Offshore Gas Deposit Discovered *[Radio Rossii]* 70
Funds Needed To Exploit Ajaria Offshore Gas Field *[IZVESTIYA 6 Sep]* 71
Minister Outlines 2d Stage in Fight Against Crime *[SVOBODNAYA GRUZIYA 24 Aug]* 71
Tbilisi Police Uncover Gold-for-Drugs Scam *[KOMSOMOLSKAYA PRAVDA 6 Sep]* 72
Tea Harvest Faces Major Shortfall *[INTERFAX]* 72

BALTIC STATES

Lithuania

Shumeyko Discusses Kaliningrad, Transit, MFN *[Vilnius Radio]* 74
  Comments on Chechen Issue *[Moscow TV]* 74
  Says 'Satisfied' With Visit *[ITAR-TASS]* 74

Premier's New Aide for CIS Affairs Profiled

MK0609101094 Moscow KOMMERSANT-DAILY in Russian 6 Sep 94 p 3

[Report by Leonid Brodskiy: "Prime Minister To Have New Aide. Vladimir Zmiyevskiy Enters the Top Six of the Premier's Secretariat"]

[Text] This past weekend the prime minister appointed Vladimir Zmiyevskiy his assistant for CIS affairs. The reasons for appointing a staffer from the department on CIS general economic problems to the highest post in the staff hierarchy are understandable—out of Viktor Chernomyrdin's five personal aides no one in particular was in charge of the sector. An immediate pretext for Vladimir Zmiyevskiy's elevation could be the meeting of the CIS heads of governments due to begin in Moscow 9 September.

The post of assistant to the prime minister is the highest rung in the hierarchy of government staff posts. As proof of that, Viktor Chernomyrdin's personal assistants are technically not part of the government staff, but make up "the prime minister's secretariat." This position enables them to use virtually all accessible information sources, and not only data from sectoral ministries and departments of the government staff. The assistants' opportunities to influence their chief's views on one problem or another are also increasing (even though they avoid ascribing political clout to themselves, stressing the "routine" and technical nature of their work).

The creation of an economic union is the main problem Vladimir Zmiyevskiy will have to tackle. In an interview for KOMMERSANT-DAILY, the new aide said that he holds exclusively pragmatic views on the subject: a union agreement can be concluded only if it is beneficial to Russia. The task would be made much easier if one could state that the Chernomyrdin government knows what precisely Russia's benefit is.

Evidently, a mutually acceptable answer is a balance between the interests of at least four socioproductive groups. The energy sectors of the Russian economy are directly interested in erecting economic barriers—at least because recognizing full economic sovereignty of adjacent countries means equating consumers from CIS countries to foreign consumers. Russian agricultural producers are also interested in customs barriers: CIS agricultural imports are creating a problem for Russia's uncompetitive agriculture.

Hence, objectively speaking, only the manufacturing industry, concerned about markets for its production, and a significant part (one deprived of the possibility to service raw material sectors) of the financial sector of the economy support integrationist trends within the CIS. The interest of producers and banks in the harmonization of legislation, free movement of capitals, goods, and services is evident: only that will enable Russia's industrial and financial capital actively to penetrate the economies of adjacent countries.

How much Vladimir Zmiyevskiy will succeed in proving to Viktor Chernomyrdin that noneconomic reasons for unifying Slavic republics into a union have no prospects will be clear fairly soon. Probably, as soon as a few days from now—at the CIS meeting of heads of government. But everything will finally become clear once the government finds an answer to the question of what is really beneficial to Russia.

[Article includes the following boxed passage] Vladimir Zmiyevskiy, 60, born in Kalmykia, graduated from the Moscow Institute of Agricultural Mechanization. Since 1966 worked at the RSFSR Council of Ministers, where he supervised relations with the Transcaucasian republics. Subsequently worked at the Ministry of Agriculture and the "Glavtraktorzagranpostavka" foreign trade association. From December 1992 worked at the Russian Government staff in the department on CIS general economic problems. From September 1994, assistant to the prime minister.

[Article includes second boxed passage]

Commentary

Maksim Sokolov comments on the new appointment in the government staff.

Vladimir Zmiyevskiy has become Viktor Chernomyrdin's new assistant. Earlier he worked at the government staff's CIS department, where he supervised Ukraine. In observers' view, the appointment of a special assistant on Commonwealth affairs testifies to the government's desire not to let the function of maintaining relations with the former "brotherly" republics pass to the exclusive jurisdiction of the presidential team and the opposition.

Vladimir Zmiyevskiy's appointment has become yet another step by the prime minister aimed at strengthening his team in anticipation of a parliamentary attack. By the time Vladimir Zmiyevskiy was appointed, Viktor Chernomyrdin had a strong group of five assistants, including Anatoliy Baryshnikov, Vladimir Panfilov, Vladimir Popov, Mikhail Tarasov, and Boris Pashkov, coordinator of the prime minister's operational analysis and planning group and at the same time chief drafter of all key government documents.

Zmiyevskiy's appointment is also notable because it breaks Deputy Prime Minister Sergey Shakhray's natural monopoly on problems related to the CIS. Evidently, at a time when the Party for Russian Unity and Accord leader is once again returning to the president's embrace and is energetically backing the Chechen opposition, Viktor Chernomyrdin wants to have his own view on what is going on in the CIS. This is not surprising, at least because recently the presidential team took a similar step by starting preparations for a forum of the CIS democratic forces and rethinking its policy with regard to the republics of the former USSR. Naturally, the prime minister, on whom the economic content of this policy largely depends, would like to be better versed in the complex problems of genuine and imaginary reintegration. In addition, anticipating an upcoming fight with the parliament, Chernomyrdin evidently wants to demonstrate to the opposition his command of the subject.

ITAR-TASS Carries Press Review for 7 Sep

LD0709054594 Moscow ITAR-TASS in English 0516 GMT 7 Sep 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 7 TASS—Reports published by all Moscow newspapers today focus on the situation in Chechnya. ROSSIYSKAYA GAZETA writes that "armed confrontation continues," reminding of the fact that on September 6, in an extremely tense situation Dzhokhar Dudayev celebrated the third anniversary since he came to power in Grozny.

"Moscow Is Concerned About the Bloodshed in Chechnya," this is the title of an article published by ROSSIYSKIYE VESTI, which reminds of a statement made by the Russian Defence Minister Pavel Grachev who said that the Russian Army had taken the most serious measures in connection with the situation in Chechnya.

IZVESTIA writes that Russia's state interest is to ensure peace and security on its territory and preserve its integrity. "The question is by what means, at whose expense and at what cost this should be done," the newspaper says. The PRAVDA daily says that Chechnya turned out to be on the verge or, perhaps, has already been involved in civil war which might lead to unpredictable consequences. "This war is worsened by medieval canons of blood feud," PRAVDA said.

"Grozny is triumphant, the opposition marks time, still pinning its hopes on aid from Moscow," NEZAVISIMAYA GAZETA said. The concentration of forces of the North Caucasian Military District around the borders of an autonomy or a rebellious region seems to be a threatening act. But it is much worse that there are sufficiently organised "Dniester" or "Abkhazian" forces or similar kinds experienced in fighting who do no care whom they kill at for whose scalps they are paid," NOVAYA YEZHEDNEVNAYA GAZETA said.

Other newspapers also focus on Chechen developments, reminding of the fate of counter-intelligence officer Stanislav Krylov, who had spent 11 days in captivity in Chechnya and was released thanks to force measures taken by the Russian Federal Counter-intelligence Service. KOMSOMOLSKAYA PRAVDA writes that judging by all, this operation is not the last one. Dudayev and his people will not be content with a provocation against Krylov alone, the newspaper said.

"Russia's Counter-intelligence Service never leaves its people in trouble," writes the RED STAR [KRASNAYA ZVEZDA] daily. The newspaper pointed out that Dudayev relies on rather a strong military force and that he can be removed from power only by means of arms. Three attempts to assassinate Dudayev and two coup d' etat attempts have failed, the RED STAR said.

Moscow newspapers devote considerable attention to Russia's international contacts. ROSSIYSKIYE VESTI highly assesses the visit to Moscow by the Chinese Chairman Jiang Zemin. "Autumn is the time of harvest. I have gathered a good harvest in Moscow," the newspaper quoted [Jiang] Zemin as saying.

ROSSIYSKAYA GAZETA carries an interview with the commander of the 14th Russian Army, General Aleksandr Lebed. Commenting on the situation in the Dniester region, Lebed said that "as a result of the 10th round of talks on the withdrawal of the 14th Army, an agreement was signed that 65 per cent of its property belongs to Russia, 35 per cent to Moldavia [Moldova], while the Dniester region on whose territory all this property is located has not been taken into account at all."

"The situation is not realistic: Come and try to take it," Lebed said. "Moldavia can unequivocally do it only by fighting, and if it manages to take something, it will be all in pieces. The Dniester delegation has left these talks, making a statement which put all the adopted agreements into question," General Lebed said.

KOMSOMOLSKAYA PRAVDA comments on the next presidential elections in Russia in 1996.

The RED STAR comments on joint Russo-American exercises on the Totskoye test site.

ROSSIYSKIYE VESTI carries an article about the situation in the Bolshoy Theater and NEZAVISIMAYA GAZETA comments on other problems, including the involvement of Arab militants in the Tajik conflict siding with the opposition.

Cancellation of Perry Visit Linked to Leak

MK0709100094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 94 p 1

[Report by Vadim Yegorov in the "Version" column: "Why William Perry Has Canceled His Visit to Moscow. Consequences of a Leak of Confidential Information"]

[Text] As was reported, Washington has canceled a visit by U.S. Secretary of Defense William Perry scheduled for 5 September. He was originally expected to hold talks in Moscow with his Russian counterpart Army General Pavel Grachev, after which the ministers planned to fly to the Totsk test site to oversee the course of the Russian/U.S. command and staff exercise, Peacemaker-94. Quite unexpectedly, however, the chief of the U.S. military department postponed his trip to the Russian Federation. The need for his personal presence at the Pentagon, conditioned by the complexity of the situation around Haiti and the current problem of Cuban refugees, was cited as a reason for this decision.

This explanation appears rather untenable. The fact is that the scale of the planned intervention in Haiti does not go beyond the framework of a low-intensity conflict, while preparation of forces assigned for the mission and elaboration of plans for their employment come under the jurisdiction of the Joint Chiefs of Staff, not the U.S. secretary of defense. As for the problem of Cuban refugees, it is simply ridiculous to link its solution to Perry's imperative presence in Washington. A number of responsible sources believe that the most likely reason for the cancellation of the visit by the Pentagon chief to Russia is the reaction to a report by the General Staff's Main Intelligence Directorate published 31 August in NEZAVISIMAYA GAZETA. It suggested that the 250 peacekeepers from the U.S. Army's 3d Infantry Division included "green berets" from commando units of special operations forces whose regional orientation envisions the conduct of operations in the depth of Russian territory during periods of threat or war. Under the cover of their affiliation with the 3d Infantry Division, U.S. commando officers were planning to conduct reconnaissance on the military operations theater in their zone of responsibility, practice methods of electronic intelligence to develop field communication hubs of Russian troops, and test the guidelines for the combat employment of U.S. special operations forces in the Russian Federation.

As it transpired, the content of this publication in NEZAVISIMAYA GAZETA was immediately filed to Washington via three channels simultaneously: The U.S. Embassy in Moscow informed President Bill Clinton and the State Department; the military attache's office advised the Pentagon; and the embassy CIA station informed Langley. Supposedly a scandal broke out in the White House over the leak of secret information about the "green berets" going to reconnoiter the military operations theater in Russia, moreover under the guise of "peacekeepers." In this context William Perry saw fit to cancel his visit to Moscow.

Washington must have expected a rebuke from the Kremlin, but the Russian side chose to refrain from official demarches so as to confirm its commitment to partnership. As for the informal reaction, a large group of counterintelligence officers from the central apparatus arrived to augment personnel of the Federal Counterintelligence Service's Orenburg Division, while the Russian Federation Armed Forces General Staff supplied the Volga Military District headquarters with a plan of corresponding action to counter possible intelligence activity by the Americans.

Grachev To Visit Totsk Exercise Site 7 Sep

MM0609150994 Moscow IZVESTIYA in Russian 7 Sep 94 p 2

[Report by Viktor Litovkin: "Defense Minister Flies to 'Atlantis'"]

[Text] The Russian-U.S. peacekeeping exercises at the Totsk test range have reached their equator in the mythical land of Atlantis.

And even though U.S. Secretary of Defense William Perry will not be able to visit the area of the first peacemaking maneuvers of their kind in history because of the Haiti problem, the situation in Chechnya will not force Army General Pavel Grachev, Russia's defense minister, to alter his plans. On 7 September he will be visiting the joint command center of the two armies, their observation posts, and also the field camps and safe zones designated on the headquarters topographical maps and marked on the ground. A helicopter has been made ready for the general so that he can visit all these places.

In addition, rapid reaction platoons consisting of servicemen from the two countries are flying over the test range in similar helicopters. During the next few days they are going to escort convoys of trucks taking humanitarian aid to refugees from the confrontation regions, prevent the illegal crossing of the border by armed groupings from either of the opposing sides, and disarm bandit formations.

Lieutenant Colonel Vyacheslav Gorokhov, who is playing the part of a UN inspector, told me that the peacemaking forces themselves must not use weapons to disarm the bandits. Only in extreme circumstances, when they are being fired on by snipers. The only means of influence to be used against violators is persuasion. "But what if they do not listen?", I asked naively. "It does not matter—they have to persuade them calmly, albeit from a position of strength and right, that such actions are unlawful. And of course, they can blockade an illegal formation and enlist the local organs of power."

The part of the "local organs of power" is being played at the test range by officers of the 27th Division. "Persuading" them is, in principle, not all that difficult. It is more difficult when you are dealing with real terrorists, bandits, and armed formations, as in Somalia, for example, where the officers of the 1st Brigade and the 3d Division served, or in the Dniester Region, where servicemen of the 589th Motorized Rifle Regiment are keeping the peace today. But Colonel Paul Iton [name as transliterated], commander of the U.S. brigade, who has spent three months in Somalia himself, believes that anything can and must be learned. Joint peacemaking operations are, in principle, only just becoming fashionable with the world community and we should not expect them to resolve all the problems tomorrow.

U.S. Believes Joint Military Exercises Promote Cooperation

LD0709063094 Moscow ITAR-TASS in English 0614 GMT 7 Sep 94

[By ITAR-TASS correspondent Mikhail Mzareulov]

[Text] Washington September 7 TASS—The United States regards joint Russo-American exercises held in Russia in the Totsk region as a valuable contribution to the growing cooperation between the U.S. and Russia in the sphere of defence and security, said official representative of the U.S. State Department, Michael McCurry, at a briefing for journalists on Tuesday [6 September].

McCurry noted that the joint exercises held to teach the skills of conducting peace-keeping operations will continue from September 5 until September 7, as scheduled.

McCurry pointed out that they had received reports about some pickets in the Totsk area, but the exercises continue without breaking the schedule, he said. Although there were some protests, the U.S. side believes that the exercises have been going on without major set-backs, McCurry said.

Army To Share Peacekeeping Experience With West

LD0509201394 Moscow ITAR-TASS in English 1855 GMT 5 Sep 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow September 5 TASS—Russian "blue helmets" have unique experience in planning and conducting peacemaking operations on the territory of some Commonwealth republics and are prepared to share it with army specialists of the West, according to Russian Defense Minister Pavel Grachev.

Today, after a meeting with Field-Marshal Richard Vincent, chairman of the NATO military committee, during which among other issues problems of peacemaking were discussed, Russian defense minister told journalists: "Stabilization of the situation in South Ossetia and Moldavia [Moldova], the termination of combat operations between Georgians and Abkhazians became possible thanks to the presence of Russian peacekeeping units in these regions".

The participation in U.N. peacekeeping operations is a new task for Russian Armed Forces which is prompted mainly by the interests of the strengthening of international and regional stability.

The analysis of the activities of the Russian military contingent on the Balkans, the minister believes, showed their ability to interact with their colleagues from other countries in planning and conducting joint peacekeeping operations.

The minister said that on September 7 he intended to attend the "Peacemaker-94" military exercises which were taking place on the Totsk proving ground near the city of Orenburg where he would familiarise himself with the work of headquarters on joint planning and organizing of interaction between "blue helmets" from Russia and the United States.

"Exercises are going on in full speed in an organized manner, commanders and staffs are working on a cooperation basis," the minister stressed.

Pavel Grachev believes that a practice of carrying out joint military maneuvers is fully justifying itself. He expressed the hope that the Russian servicemen will continue to participate in the exercises of this kind with armies of NATO countries in the future.

Grachev Seeks Cooperation With NATO

LD0609125394 Moscow ITAR-TASS World Service in Russian 1126 GMT 6 Sep 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 6 Sep—Russia is in favor of cooperation with NATO; however, the tendency which has become apparent of expanding the bloc does not meet the realities of the present day, and may have a negative influence on the political climate in Europe. Pavel Grachev said this in reply to an ITAR-TASS correspondent's question about the role of NATO in a European security system.

The Russian defense minister believes that with the end of confrontation from the time of the cold war and given the positive processes in Europe, NATO's functions should be different. The formation and strengthening of a mainly new model of European security, based on the equal rights and responsibilities of states—this should be the aim of the North Atlantic union, Pavel Grachev believes.

The minister expressed concern that NATO and a number of its member states have still not ruled out Russia as a potential enemy. Pavel Grachev is concerned that the countries of Central and Eastern Europe and also the Baltic which have expressed the desire to enter the North Atlantic union, justify this with invented anti-Russian arguments.

Grachev Remarks on NATO, Security

MM0609203194 Moscow KRASNAYA ZVEZDA in Russian 7 Sep 94 p 1

[Report by Mikhail Pogorelyy: "Russian Defense Minister on Problems of Russian and European Security"]

[Text] Before flying to Totskoye for the Russian-U.S. joint command staff exercises involving the two countries' peacemaking subunits, Army General Pavel Grachev, Russian defense minister, met with a group of journalists and answered their questions.

The first group of questions related, naturally enough, to the Russian troops' peacemaking activity. For us, the defense minister replied, this is a qualitatively new task. It is especially pleasing that the practical actions of the contingents in the former Yugoslavia show that both the staffs and subunits of the Russian Armed forces can effectively resolve peacemaking problems. Furthermore, we are not only studying foreign experience (including at the Mirotvorets-94 command staff exercises) but are also ready to share our in many ways unique experience gained in operations to stabilize the situation in Moldavia [Moldova], Ossetia, and during the Georgia-Abkhazia conflict. After all, bloodshed was averted in those conflicts primarily because of the use of the Russian peacemaking contingents.

To the more general questions in this regard—questions on Russia's place and role in the European security system—Army Gen Pavel Grachev replied that in his opinion a new security system on the continent must be built on the basis of the CSCE. In that event the CSCE could be given the status of a regional political organization and the North Atlantic Cooperation Council could develop from being a consultative organization under NATO into a military-political alliance. That would make it possible to ensure close cooperation among the defensive forces of the CIS, NATO, and WEU countries in protecting the national sovereignty of the member states and human rights in each of those countries.

At the moment, however, the Russian defense minister stressed, there is concern at the views expressed in a number of European states about a revision of borders and at attempts to interfere in neighboring states' internal affairs. It is also symptomatic that the Baltic states explain their desire to join NATO by using anti-Russian arguments and in a number of NATO countries Russia has not been taken off the list of potential enemies. This is not in keeping with the spirit of partnership and cooperation that is being asserted.

There was also a question on the role of nuclear weapons in the new conditions. Pavel Grachev resolutely advocated a course aimed at the complete elimination of tactical nuclear weapons (including air-launched weapons, which the NATO countries persistently exclude from the framework of discussions and talks). Generally speaking, he noted, the question of the radical review of the role of nuclear weapons in interstate policy is urgent—they must be viewed as a deterrent, that is, a means of achieving political goals, not military ones.

During the impromptu press conference there was a question on the problem of the flank restrictions on armaments in the Leningrad and North Caucasus military districts. In the journalists' opinion, the stubborn reluctance of the NATO countries, including the United States, to recognize Russia's inalienable right to ensure the reliable security of its borders does not tally with the concepts of partnership and collaboration. Army Gen. Pavel Grachev replied that there is indeed a problem here. For over a year now work has been going on to resolve it at all levels, including within the Russian Federation Defense Ministry. In this regard, the minister said, we are counting on a new character of relations among the European states. While recognizing and respecting the provisions of the Treaty on Conventional Armed Forces in Europe we note nevertheless that its flank restrictions are unacceptable to us because they are disadvantageous to the country's security. In the Leningrad and North Caucasus military districts we really need 1,100 tanks, 3,000 armored fighting vehicles, and 2,100 artillery systems with 600 tanks, 2,200 armored fighting vehicles, and 1,100 artillery systems in southern Russia and the North Caucasus Military District. Such a potential does not harm the security of other states party to the CFE Treaty especially since Russia is ready to give additional political guarantees here.

It goes without saying that there was also a question on the reasons for the postponement of U.S. Defense Secretary William Perry's proposed visit—he planned to go with Army Gen. Pavel Grachev to visit the area of the Mirotvorets-94 command staff exercises. To the best of my knowledge, the Russian Federation Defense Minister replied, Mr Perry is busy resolving some urgent tasks connected with the situation on Haiti and Cuba as well as with the passage of next year's military budget through Congress.

U.S. Visa Section Problems Analyzed

MM0509130194 Moscow IZVESTIYA in Russian 6 Sep 94 p 4

[Article by Yevgeniya Albats: "U.S. Visa: Bureaucrats Promise To Be Polite"]

[Text] Issue No. 134 (16 July 1994) of IZVESTIYA published a commentary by Yevgeniya Albats entitled "Face to Face With an American Bureaucrat," devoted, to put it mildly, to the not always polite attitude of U.S. Consular Service personnel to Russian citizens applying for visas. Mr. Thomas R. Pickering, U.S. ambassador to the Russian Federation, sent a detailed commentary in response to this article in which he set out the problems encountered by Visa Service personnel in Moscow. ("U.S. Embassy Staff Working Flat Out," IZVESTIYA No. 150, 9 August 1994). Today IZVESTIYA once again returns to this subject.

The article in IZVESTIYA elicited some pretty stormy discussion of the problem in both the Russian and U.S. press. Two newspapers, THE BOSTON GLOBE and THE WASHINGTON POST, published articles by their Moscow correspondents suggesting in effect that the situation as regards the issuing of visas to Russian citizens is tending to increase anti-U.S. sentiment in Russia.

In his report Fred Kaplan, THE BOSTON GLOBE's Moscow bureau chief, cited extremely curious examples of relations between visa applicants and U.S. Consulate personnel which are probably hard to attribute solely to the Visa Service employees' excessive workload. I quote: "When Vladimir Gusinskiy, president of a bank (the 'Most' group--author's note) and one of the richest men in Russia, went to the United States for a meeting at the IMF, his wife refused to go with him. 'Consulate personnel had asked her: '"Are you a drug addict?"', Gusinskiy said. 'Can you imagine the president of Citibank, say, preparing to go to Moscow, being asked by the Russian Embassy (in Washington): "Does your wife intend to buy rare icons in Russia?" Anti-U.S. sentiment is growing among the new Russian middle class,' Gusinskiy believes, 'the reason being that people feel insulted at the way they are treated by the U.S. Embassy.' Gusinskiy is afraid that these people may swell the ranks of the Russian ultranationalists."

Mrs. Nancy Sambaiew, Consul General at the U.S. Embassy in Moscow, could not find an explanation for this during a recent discussion with your IZVESTIYA correspondent and suggested that Mrs. Gusinskaya may have filled out the questionnaire incorrectly, thus eliciting such a strange question.

Lastly the Russian Foreign Ministry has also revealed its interest in the subject. Admittedly, the reason is not so much its compatriots' complaints and the debate in the press as the fact that the Americans have demanded that holders of elite passports present proof—just like ordinary Russian citizens—that they have no intention of remaining in the United States for good. It is indeed scandalous: They equate a Foreign Ministry passport with an ordinary red passport bearing the hammer and sickle! But everything is OK: Our authorities have suddenly remembered (even after being offended themselves) that it is customary to protect your own country's citizens. As U.S. Ambassador Thomas Pickering demonstrated splendidly in his letter to IZVESTIYA.

Journalists and many U.S. Embassy personnel see the root of the problem as being the actual U.S. visa law, which presupposes in advance that everyone who applies for permission to enter the United States is a potential illegal immigrant, i.e. a lawbreaker. This "presumption of guilt" does not necessarily please those charged with implementing this law and, judging by the IZVESTIYA mailbag, it embarrasses some U.S. citizens whose interests have brought them to Russia. "I tried—without success—to help a Russian citizen get a U.S. visa. Twice she was refused, and twice she was treated by the Consulate in a manner in which she has never been treated in her life before, in Russia or the former Soviet Union," James F. Wilson, a U.S. subject, wrote to IZVESTIYA.

Be that as it may, the law is the law and for that reason the U.S. Consulate recently drew up extremely extensive (five-page) instructions for anyone intending to try to obtain a U.S. visa, setting out the essence of the law and the proof that they may present to show that they have no intention of violating that law. In addition, the embassy drafted an extremely curious statistical report showing that Russians are by no means alone in having problems obtaining the right to enter the United States. It is far harder for Romanians or Poles, for instance, to obtain a visa: Whereas in Moscow the Americans refuse around 20 percent of applicants (the same as in Bulgaria and Latvia), in Bucharest and Warsaw the figures are 41 percent and 50 percent respectively. One of the reasons being that there are not that many fewer Poles living in the United States, in Chicago, for instance, than in Warsaw itself. In other words, the more Russians decide to settle illegally on the U.S. prairies forever, the less chance the rest will have of going there even on a tourist visa. Here are a few more statistics: It is most often people aged 40-55 who receive permission to enter the United States, since there are more businessmen among them; according to statistics, young people aged 18-25 can expect the greatest difficulties: As a rule they are single and do not have a steady job or a decent wage, i.e. they have nothing to lose at home apart from the universally known problems.

As for the most painful issue—the manner of some U.S. consular personnel in Moscow, to which the commentary "Face to Face with an American Bureaucrat" was devoted—the debate has revealed at least two approaches to the subject. The aforementioned U.S. citizen, Mr. James Wilson, presented one approach—the radical approach—in his letter to the editorial office. "I hope that the Russians who come to the Consulate believe that the Embassy is not the whole United States. It is more like a small island of the U.S. bureaucracy whose mentality was formed during the Cold War years and which still applies old notions to the new political reality."

However, after an almost three-hour conversation with Consul General Mrs. Nancy Sambaiew and Embassy Press Attache David Monk at the U.S. Embassy in Moscow, the author got a somewhat different idea of the crux of the problem.

The point is that Visa Service personnel, who come under U.S. State Department jurisdiction like the whole Embassy, are personally accountable for every "yes" and "no." On the other side of the ocean—at Kennedy Airport Immigration Service in New York, for instance—we are welcomed by employees from a different department, the Justice Department, who are equally vigilant in ensuring that illegal immigrants do not infiltrate the country. So, if it turns out that a Visa Service staffer is repeatedly mistaken, saying "yes" instead of saying "no" to applicants, his future career is in jeopardy, extremely serious jeopardy at that.

That is one thing. The second is based on the long-established myth, current on both sides of the ocean, that Russians and Americans are very alike, whereas in actual fact they are not at all; we have different cultural and historical traditions. Failure to comprehend these differences and the need to ascertain the true personality of the applicant within a matter of five or six minutes plus linguistic deficiencies are often the reasons for abruptness on the one hand and a sense of insulted pride on the other. For the overwhelming number of Visa Service personnel the job at the Russian Consulate is their first foreign tour of duty—so to speak, trial by fire. To prepare for it they undergo a special but extremely brief course of training lasting roughly 26 hours, almost one-fourth of it devoted to questions of how to defend a U.S. citizen in a foreign country. Ignorance multiplied by scant professional experience engenders, as you know, either a lack of self-confidence or, on the contrary, a feeling of excessive self-confidence, which sometimes takes the form of trying to demonstrate one's own superiority; that is the flip side of weakness.

In one way or another the writer got the impression that people at the U.S. Embassy are aware that there is a problem and that it must be resolved, since the consequences for both sides will be unacceptable. A whole series of steps will be taken in addition to those mentioned above.

For instance, as of September the number of personnel examining visa applications will be doubled (from three to six). As a result the rule whereby people who had already had two visa applications rejected were not entitled to make a third application until six months was up will be abrogated as of 12 September.

One last point. During a conversation with the author Consul General Nancy Sambaiew stressed that no Consulate staff member has had or has any intention of insulting any Russian citizen applying for a visa. However, she expresses her regret if anyone has left the Consulate building feeling aggrieved or insulted: "We are not indifferent to how our relations with the Russian public develop," she said.

Russian Criminals Expanding in United States

MM0609122194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Sep 94 p 9

[Article by Stanislav Kucher under the "KOMSOMOLSKAYA PRAVDA Investigation" rubric: "Russian Gangsters Seize Affluent America by the Throat"]

[Excerpt] [passage omitted]

U.S. Borders Shut. But We Have Master Key

According to information from specialists in our MVD [Ministry of Internal Affairs] and FCS [Federal Counterintelligence Service], around 30 criminal groupings "representing" most Russian regions (the Central European area, Rostov, the Urals, Krasnoyarsk Kray, and Vladivostok) have carefully forged contacts with the U.S. criminal world and are involved in illegal business in Russia and America simultaneously. And most "business" is being conducted in concert with "our former people," whose numbers in the United States have, as is known, increased appreciably in the last five-six years. According to some estimates over 60,000 emigrants from Russia constitute a potential risk area for America. Moreover, while previously emigrants from the USSR settled mainly in Brighton and Los Angeles, they are now dispersed around practically all major U.S. cities—from Chicago, Detroit, and Boston in the northeast to San Francisco in the west and Atlanta, New Orleans, and Miami in the south. Thus Russian gangsters have "their own people" virtually throughout the territory of the continental United States, which creates most favorable conditions for their "vital activity" in the New World.

It is understandable that the experienced criminal immigrants living in the United States have managed to get acquainted with the local "godfathers" and that many have even managed to become active members of U.S groupings with an international membership. It is therefore obvious—and this is confirmed by many criminal cases both in the United States and in Russia—that through their former fellow countrymen Russian mafiosi have also struck up an acquaintanceship with the "purely U.S." mafia, that is to say with the infamous Cosa Nostra.

"But, surprising as it may seem, it is hard for us to say precisely how many of 'our people' in total are active in America, and to calculate how many gangsters have already been arrested by the FBI," a staffer of the MVD Main Administration for Combating Organized Crime, who wished to remain anonymous, admitted to me. "The FBI simply does not have such statistics. Their documents primarily record race—whether a gangster is 'black' or 'white'—so as a rule the FBI just shrugs its shoulders in reply to our enquiries as to which of 'our people' have been arrested in America and when. Only now, following the FBI chief's visit to Moscow, have they realized that it is worth keeping statistics of ethnic origin as well."

According to official U.S Immigration Service data, around 1,000 Russians arrive in New York every month. But, according to the testimony of Russian Federation Consulate staffers, in actual fact the number is approaching 10,000. Both figures are correct: It is simply that most Russians coming to the United States use expertly forged documents. Is a person going to take a risk and forge a passport and visa if he is going to a country with good intentions? Just figure out how many of our criminals cross the New World's borders every day. Naturally, gangsters are not going to the States forever. Most "business" is conducted in Russia and America simultaneously, and their constant trips to and fro are routine "official business trips."

The activities of the "Red gangsters" can be divided into several specific areas (we will not count minor swindling like shortchanging customers in Brighton Beach stores): Laundering "dirty money," major shady financial deals involving fuel, fraud in the healthcare sphere, racketeering and contract killings, and drug dealing. [passage omitted]

Official Meets UN Envoy About Tajik Settlement

LD0609161294 Moscow INTERFAX in English 1330 GMT 6 Sep 94

[Text] Russia intends to provide all possible assistance to the talks on a political settlement in Tajikistan under the UN. This was confirmed at the meeting between Russian Deputy Foreign Minister Albert Chernyshov and Special Envoy of the UN Secretary General Ramirez Piriz Ballon in Moscow on September 4. Ramirez Piriz Ballon stopped over in Moscow on his way to Tashkent and Dushanbe.

Russian Foreign Ministry Spokesman Grigoriy Karasin said at a briefing in Moscow today that the UN special envoy had made known his intention to discuss with the Tajik leaders the inter-Tajik talks and to visit Pakistan after Dushanbe in order to consult Butrus Butrus-Ghali and to meet with the Tajik opposition representatives in Tehran.

Piriz Ballon said he will try to convince the opposition to renew the talks as soon as possible and to sign an agreement on cease-fire and on putting an end to other hostilities with the Tajik government.

Arabs, Iranians Captured in Tajikistan

LD0609173594 Moscow ITAR-TASS World Service in Russian 1514 GMT 6 Aug 94

[By ITAR-TASS Correspondent Anatoliy Yurkin]

[Text] Moscow, 6 Sep—Outside interference in the affairs of Tajikistan is evident in the documents of Arab mercenaries captured on the Tajik-Afghan border by border patrols in Gornyy Badakhshan in August of this year. Today, the Russian Federal Border Service presented evidence of complicity in the events in the republic by citizens of Iran, Libya, Oman, Afghanistan, Saudi Arabia, the United Arab Emirates, and other countries. Confiscated from the mercenaries were notebooks on the preparation and laying of explosives and instructions in the tactics of fighting.

A special place among the exhibits which the border patrol officials showed to Russian and foreign journalists is occupied by diagrams, tables, and instructions on the use of modern weaponry. "With the appearance of Arab mercenaries in Tajikistan, there has been a notable refinement in the laying of ambushes, in sudden firing on border posts and positions, and fighting has become fiercer," the ITAR-TASS correspondent was told by Colonel Nikolay Kruglov, deputy head of the analytical and information adminstration of the Federal Border Service. In his opinion, the world public should display a particular attitude toward mercenary practice as a factor of destabilization not only in the southern regions of the former USSR, but also in other parts of the planet.

Foreign Ministry Praises Japan Reparations Package

OW0609143694 Tokyo KYODO in English 1419 GMT 6 Sep 94

[Text] Moscow, Sept. 6 KYODO—The Russian Foreign Ministry on Tuesday [6 September] welcomed Japanese Prime Minister Tomiichi Murayama's war compensation program announced last week prior to next year's 50th anniversary of the end of World War II.

A senior Foreign Ministry official, giving high marks to the program, said in a statement that it will help countries concerned find ways to overcome the "negative heritage" brought about by the war and promote solutions to many problems in the Asian region.

In a statement August 31, Murayama said that, among other ideas, Japan plans to launch the 100 billion yen program over the next decade to promote peace and friendly ties with Asia and to express atonement.

Spokesman Welcomes Statement

LD0609162494 Moscow INTERFAX in English 1409 GMT 6 Sep 94

[Text] The Russian Foreign Ministry welcomes the "initiative of peace, friendship and exchanges," made by Japanese Prime Minister Tomiichi Murayama, aimed at overcoming the psychological and other negative confrontations of the military past. This was stated by Russian Foreign Ministry Spokesman Grigoriy Karasin at a briefing in Moscow today. He was commenting on the statement of Murayama on the coming fifty-year anniversary of the end of the War, published on August 31. He went on to declare that, "the initiative reflects the intention of the Japanese leaders to support the program for humanitarian exchanges with the countries suffering from Japanese aggression during the Second World War and Japanese colonial rule."

"We believe that implementation of the initiatives put forward by the Japanese premier will help to overcome the consequences of the War constructively, taking into consideration the interests of all parties concerned, will help to resolve the existing problems and contribute to strengthening confidence, mutual understanding and cooperation in relations between the countries of the Asian-Pacific Region," Karasin said.

ITAR-TASS Reports on Maritime Talks in Tokyo

LD0609181994 Moscow ITAR-TASS in English 1327 GMT 6 Sep 94

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo 6 Sep—Russia, Japan, China, and South Korea favour the "establishment of new rules" for tapping the marine resources of northeast Asia, primarily in the Sea of Japan. They are to ensure tougher mutual controls over fishing in the region. This subject was discussed by the quadripartite meeting recently held in Hiogo prefecture, ITAR-TASS was told by trustworthy Russian sources in Tokyo.

The final protocol of the meeting, signed by all its participants, describes as "immoderate" the scope and scale of fishing in the region. Therefore, the U.N. Convention on the Law of the sea, which will come into effect as of November 16, 1994, should make fishing within each other's 200-mile economic zones more civilised.

However, considering that the regime of 200-mile zones is not fully observed in the Sea of Japan, the meeting expressed the desire to implement fishing controls not only on a bilateral basis among the countries of the region, but to extend the system to all the fishing boats, catching fish in this area.

The participants of the meeting noted that there were ample possibilities for fruitful cooperation in the region, because there were reserves of still not fully untapped marine resources in the coastal zones of Russia, which is unable to make rational use of them due to lack of technical facilities.

In light of this, the representatives of the Russian Maritime Territory and the delegations of Japan and South Korea went on record for a mutually profitable version, according to which the Russian side would get from them up-to-date fishing vessels and processing equipment, as well as technical assistance in the form of various technologies and know-how in exchange for a share of the catch or for finished products, slated for export.

Such meetings of the four leading northeast Asian fishing powers of, held within the frameworks of the "international forum for fishing in the Sea of Japan", began in 1990. This is the third meeting. However, they were so far convened in the form of separate bilateral consultations. This was primarily due to the absence of diplomatic relations between China and South Korea. This is the first time that all the participants had met together at one conference table.

The view was expressed in the lobbies of the conference that North Korea could eventually be invited to take part in such meetings, since it is engaged in active fishing in the Sea of Japan. However, this question will be raised only if Tokyo and Pyongyang establish official relations. In the meantime, the participants of the meeting have agreed to meet again in Japan in the present quadripartite composition.

Ministry Official Assesses Jiang Zemin Visit

LD0609190894 Moscow ITAR-TASS in English 1458 GMT 6 Sep 94

[By ITAR-TASS diplomatic correspondents Valeriy Sevryukov and Andrey Shtorkh]

[Text] Moscow September 6 TASS—Relations between Russia and China have reached the level of a "constructive partnership". This conclusion has been drawn by the two sides. They stated the intention to preserve these relations on a basis of partnership in long-term perspective. Yevgeniy Afanasev, first deputy head of the Asia Department of the Russian Foreign Ministry, told this a briefing for Russian and foreign journalists on Tuesday, summing up the results of the visit to Moscow by Chinese Chairman Jiang Zemin. The "constructive partnership" should not be viewed as allied relations. It is not directed against third countries, Afanasev said.

Afanasev described as a "major event" the signing of the statement of the presidents of Russia and China on mutual non- targetting of strategic nuclear missiles. He said this decision reflects a high degree of confedence between the two countries and is a substantial contribution to the maintenance of international stability.

For the first time in the history of relations between Russia and China, the juridical formulation of the state frontier virtually along its entire stretch is being completed, Afanasev said. This creates real prerequisites for ending the frontier dispute between Russia and China and turning the Russo-Chinese border into "a belt of peace, stability and development".

Analysing the situation in the Asia-Pacific region and disarmament problems, the sides declared for the consolidation of multifaceted constructive interaction in regional and world affairs and for Russia's and China's full-scale participation in forming a new political and economic world order, Afanasev said. The readiness for mutual assistance to enhancing Russia's and China's involvement in integration processes in the Asia-Pacific region was confirmed.

On the whole, the visit of the Chinese chairman has been a major event in Russo-Chinese relations and confirmed the interest of the sides in the further development of these relations. He said that Jiang Zemin had invited Boris Yeltsin to visit China next year and that the invitation had been accepted. The invitations to visit Russia made to premier of the State Council of China Li Peng and to chairman of the Standing Committee of the

National People's Congress Qiao Shi were also confirmed. Speaker of the Russian Federation Council Vladimir Shumeyko was invited to visit China.

'Enormous' Promise Seen in Ties With China

MM0509115794 Moscow KRASNAYA ZVEZDA in Russian 6 Sep 94 p 3

[Report by Vadim Markushin: "Russia-China: Without Ideological Ballast"]

[Text] It seems as though a period of a fundamental reorientation to more modern methods of businesslike cooperation is dawning in Russo-Chinese relations. Instead of the barter trade of our grandfathers, there should be trade and economic cooperation based on mutual transactions in foreign currency. Arbitrary and primitive attitudes are giving way to industrial production-sharing and investment-based cooperation. These are the lofty plans made public during the official visit to Russia by PRC President Jiang Zemin.

It is hard to doubt the seriousness of these intentions. The two neighboring powers, having cleared away artificial ideological obstacles and having rapidly assimilated the experience of recent years, are entirely ready to move to a new quality of coexistence. And, although it can take a lifetime to move from intentions to actual steps, there are generally pretty good grounds for optimism in this regard.

First and foremost there is the clearly expressed desire of both the Russian and PRC presidents to move forward, irrespective of the strains in bilateral ties. For instance, in terms of measures connected with the introduction of visa regulations—to which the Russian side was forced to resort as a result of constant violation of the rules governing the length of Chinese businessmen's stays on Russian territory. This "growing pain" should not be dramatized, Boris Yeltsin says, just as it should not be ignored either. "We should not prevent normal contacts between citizens, including business activity. At the same time it is necessary to take measures, not least at bilateral level, to make those contacts civilized and controlled," the Russian Federation president said.

Jiang Zemin is by all accounts also disinclined to attach greater importance than is merited to existing shortcomings. "You should not stop eating because you have hiccups," he said, demonstrating yet again the Chinese predilection for proverbs to express what they are thinking. Chinese contains a large number of these gobbets of folk wisdom. And we can quite well assume that the PRC president—with the care of a linguist who speaks English, Russian, and Romanian, incidentally—had picked out precisely this proverb in order to separate the fundamental from the transient in Russo-Chinese relations.

This joint resolve to "update" Russo-Chinese relations is a result of a common pragmatism. Beijing sees obvious benefit in access to Russian high technology (space, defense). While Moscow, for instance, needs help from its labor-rich neighbor in developing the expanses of Siberia and the Far East. The international significance of constructive partnership between the Russian Federation and the PRC is, naturally, taken greatly into account—the two nuclear powers are permanent members of the UN Security Council. So coordinating their positions on key issues of world politics is to their mutual and universal advantage.

The summit produced agreements on further economic cooperation, on the detargeting of each other's nuclear weapons away from each other, and on the demarcation of the western sector of the border. Each of these documents is valuable in its own way. And whereas, say, the latter removes one of the main age-old irritants in bilateral relations, the decision to end nuclear confrontation is a turning point for improving the military-political situation in Asia and throughout the world.

The changes in Russo-Chinese affairs promise to be truly enormous. Knock on wood, as they say. Lest we be disappointed in our hopes that the sophisticated formulas in the adopted joint declarations will be translated into equally sophisticated forms of modern international relations.

Germans Should Remember How World Wars Ended

MM0609135594 Moscow KRASNAYA ZVEZDA in Russian 6 Sep 94 p 1

[Report by Aleksandr Oliynik and Feliks Semyanovskiy: "From the Belorussia Station Into History..."]

[Excerpt] [passage omitted] The completion of the withdrawal of the Western Group of Forces is not only a time to bid farewell to an entire postwar era. It is also a time for some kind of summing up and for thoughts about the future. When talking about results, I think it would be appropriate to quote the following figures: In almost half a century of existence the Group of Soviet Forces in Germany and the Western Group of Forces provided combat tempering for around 7 million servicemen—540,000 officers and generals, 180,000 warrant officers, and more than 5 million NCO's and enlisted men. Over the years more than 400,000 blue- and white-collar personnel worked here—doctors, engineers, nurses.... And if you add in the "rear forces"—1.5 million family members—then a total of 8.5 million of our countrymen have served, lived, and worked in Germany. Not only Russians but Ukrainians, Belorussians [Belarusians], Tatars.... So today's farewells to the Western Group of Forces leave a mark not only in the hearts of Russians but in the hearts of hundreds of thousands of representatives of the former Union republics.

Probably the saddest figure is 837. That is the number of fraternal and individual military cemeteries we have left behind on German soil—almost 500,000 Soviet officers and men who fell in the battle against fascism have their eternal rest there. What will happen to them? With the passage of time will they be defiled, as has already happened to our memorials in Poland and the Czech Republic?

Chancellor H. Kohl has promised on behalf of the Germans that the German people will "keep the military memorials and cemeteries in model order." He also assured the Russian president that, once the Russian soldiers have left, contacts between official Germany and Moscow will "take on a new quality." Admittedly, he did not make clear just what shape this "new quality" would take. Let us hope nonetheless that, whatever the politicians may promise, the German people will have remembered well the two world wars in the 20th century. And remembered, too, how they ended.... [passage omitted]

Political View of Haiti Operation 'Increasingly Obscure'

MM0609125594 Moscow IZVESTIYA in Russian 6 Sep 94 p 3

[Report by Vladimir Nadein: "All That Remains Is To Start Fighting, a Mere Bagatelle. Pentagon Accountants Calculate Precisely How Much Historic Victory Over Haiti Will Cost United States and Barbados"]

[Excerpts] Washington—Restoring Haitian President Jean-Bertrand Aristide, who was exiled almost three years ago by the rebel junta, will cost the United States $627 million if you assume that Pentagon accountants' calculations are fairly accurate and do not aim to take advantage of the situation and get more money out of the tight-fisted Congress. [passage omitted]

One should remember that all these peacemaking and humanitarian operations—delivery of food and water, medical aid, and transport services—are implemented by Americans themselves. U.S. construction firms are also winning contracts for the construction of camps for refugees and exiles from Rwanda, Cuba, and Haiti.

Thus, U.S. citizens are the main recipients of the extra appropriations approved by the U.S. Congress at the prompting of the U.S. Government, which is fully in line with any administration's general task, to whit using any opportunity to create the maximum number of jobs for its compatriots.

When it comes to foreign recipients the U.S. Government, which is fairly generous when it comes to paying for U.S. civilian and military labor, endeavors to save every dollar of its taxpayers' money. Two eminent state officials—Deputy Secretary of Defense John Deutch and Deputy Secretary of State Strobe Talbott—are extremely pleased with the results of their recent tour of the Caribbean countries. They managed with great difficulty to enlist four tiny countries here in the Haiti invasion. Their combined detachment will comprise 266 servicemen, around 2 percent of the total attacking force. But Jamaica, Barbados, Belize, and the rest will pay for their soldiers themselves and this is cause for particular pride for the two eminent travelers.

Although increasing clarity can be discerned as regards the figures for the cost of the invasion, the political view of the war with Haiti is becoming increasingly obscure. The Clinton administration has never been eager to wage a small victorious war and it was this that sparked off frenzied attacks from the Republican opposition to boot.

The highly self-respecting NEW YORK TIMES described the planned military operation with a certain uncharacteristic zeal as "absurd and futile, something that only the Clinton administration wants."

The two or three idle battalions that make up Haiti's Army have hardly inspired fear in the last superpower. It is just that the incumbent administration's public support is dipping lower and lower. In such cases everything becomes a problem, including such a traditional and not particularly exacting occupation for the United States as restoring order off the country's southern border.

Moscow Welcomes End to IRA Campaign

LD0609142094 Moscow INTERFAX in English 1330 GMT 6 Sep 94

[Text] Moscow welcomes the statement of the Irish Republican Army (IRA) on putting an end to violence and hopes that this will halt terrorist acts by all parties to the Northern Ireland conflict once and forever, the Russian Foreign Ministry's Spokesman Grigoriy Karasin said at a briefing in Moscow today.

Karasin said that the road to lasting peace in Northern Ireland is not easy. He said he believes that the present opportunity to put an end to terror and violence and to ensure well-being and security in the future for all inhabitants of Northern Ireland should not be missed.

Karasin Condemns Bosnian Serbs for Ethnic Cleansing

LD0609171894 Moscow ITAR-TASS World Service in Russian 1425 GMT 6 Sep 94

[By ITAR-TASS diplomatic correspondents Valeriy Sevryukov and Andrey Shtorzh]

[Text] Moscow, 6 Sep—Moscow is seriously alarmed by information from the region of Bijeljina in Bosnia-Herzegovina to the effect that, in spite of serious warnings to the Bosnian Serbs from the international community that ethnic cleansing is impermissible, this practice is continuing there. Grigoriy Karasin, the director of the press and information department of the Russian Ministry of Foreign Affairs, said this at a briefing today.

He noted that this information is corroborated by the International Committee of the Red Cross in Sarajevo and came in after the statement made by the UN

Security Council which condemned ethnic cleansing no matter where and by whom it was carried out and which contained a demand that this practice be stopped immediately.

Karasin said that only two days after the UN Security Council condemned ethnic cleansing by the Bosnian Serbs, the latter forced 900 Muslims to leave Bijeljina and make their way to Tuzla. A further 300 Muslims have fled from the areas of Banja Luka, Prijedor, and Sanski Most. This is already the fourth wave of refugees from these areas in the past 10 days. Over 1,400 people have gathered at the Muslim camp in Travnik.

The Russian diplomat indicated that this practice cannot be tolerated.

Stepashin Meets Lithuanian Intelligence Counterpart

LD0609200694 Moscow INTERFAX in English 1609 GMT 6 Sep 94

[Text] Director of the Russian Federal Counterintelligence Service Sergey Stepashin and General Director of the Lithuanian National Security Department Jurgis Jurgilas discussed the possible development of cooperation at their meeting in Moscow.

The center for public relations of the Russian Federal Counterintelligence Service said today that Stepashin and Jurgilas had also exchanged opinions on cooperation between the Russian and Lithuanian special services on the fight against terrorism, drug trafficking, illegal selling of arms, nuclear materials and other forms of organized crime.

Lithuania also raised the issue of possible access to some archives of the ex-USSR KGB.

Protocol Signed With Canada on Nuclear Plant Safety

LD0609210994 Moscow ITAR-TASS in English 1834 GMT 6 Sep 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow September 6 TASS—A protocol on the fulfilment of a two-year program for nuclear safety and technology worth ten million dollars was signed here today by Russian minister for nuclear energy Viktor Mikhaylov and Canadian ambassador to Russia Jeremy Kinsman.

Russia and Canada plan to cooperate in the upgrading of channel- type reactor safety, sources at the Russian Ministry's Information Department told ITAR-TASS today. The sides will improve the reactor operation procedure and train personnel. Canada will deliver equipment to Russia, introduce Canadian technologies and software. Canadian specialists will permanently work with operators of Russian nuclear power plants. The project is the core of the Canadian nuclear safety initiative announced in June 1992. It will take three years and require 30 million dollars.

Soskovets at MiG Plant; Details of Sales Deal with Malaysia

MM0709121594 Moscow ROSSIYSKAYA GAZETA in Russian 7 Sep 94 First Edition p 3

[Report by Sergey Mashtakov: "MiG's in Malaysia Too. Who Else Will Buy Our Fighters?"]

[Excerpts] Oleg Soskovets, first vice premier of the Russian Federation Government, has visited the Moscow Joint-Stock Production Association [MJSPA], which is renowned for producing MiG fighter aircraft.

In fact, MiG's were the main purpose of Oleg Soskovets' visit to the MJSPA. Before the end of this year Russia is to supply Malaysia with 17 fighters. According to specialists' estimates, the contract is worth $550 billion. Malaysia will pay the Russian side 25 percent of this sum in palm oil, which will at once be reexported. The bulk of the proceeds from the deal will go into the state treasury, although the MJSPA's leaders hope that the state will "share" them with them. [passage omitted]

According to Fedor Timofeyev, manager of the association's foreign economic relations department, despite production conversion, the MJSPA's production of military aviation equipment is and will remain the chief task of the labor collective. Today production of MiG's accounts for 40 percent of the entire volume of output produced by the enterprise. According to available information, the enterprise's designers have now developed a new MiG modification which will be adopted by the Russian Army in the near future. It is curious that this modification is secret and is not to be sold for export.

As regards the aircraft being manufactured for Malaysia, they differ in many ways from the fighters used by Russian troops. At the request of the Malaysian side, for example, the aircraft's Russian electronics and armament will be replaced by Western models. But this is just one of the points in this contract. In addition, Russia is pledging to build bases in Malaysia for the aircraft's technical servicing, to supply Malaysia with spare parts and components for five years, and to train Malaysian pilots to work on the Russian aircraft before the end of the year. Incidentally, today it costs something like $30,000-40,000 to train and instruct one pilot.

The delivery to Malaysia of a consignment of Russian fighters may be regarded as a new success for Russia in the international arms market. It must be remembered that prior to this the Russian Federation's attempts to achieve results in this sphere had proved fruitless. Last year, owing to keen competition in the international arms market, Russia lost a deal with Brazil to supply that country with Russian military hardware. A number of similar failures can also be added to this.

As Nikolay Zlenko, chief of the Main International Military Cooperation Directorate, has pointed out, China has commenced arms deliveries to former Soviet republics in Central Asia.

The forces of the military-industrial complex alone are insufficient to counter this trend. All possible state assistance is needed. I would like to believe that Oleg Soskovets' visit to the MJSPA constitutes one step in this direction.

Future of Cooperation With China Eyed

MM0709095794 Moscow PRAVDA in Russian 7 Sep 94 p 7

[Article by Andrey Krushinskiy: "Words and Deeds. The Term 'Friendship' Has Returned to the Russian and Chinese Vocabulary"]

[Text] Beijing—I cannot remember an occasion like this when a Chinese foreign policy action has been given such powerful propaganda support here as has Jiang Zemin's current visit to Moscow. In Sunday's RENMIN RIBAO (central newspapers here, as in our country once, do not take a weekend break) two-thirds of page one was "Russian," as was the whole of the two-page feature usually given over to international problems. On Monday almost two pages were again devoted to the theme of that visit.

Every item in the program—from Jiang Zemin's talks with B. Yeltsin to the visit that he and his wife, Wang Yeping, made to Moscow kindergarten no. 114—received detailed coverage in the Chinese press. Commenting on the Russian-Chinese joint declaration which has just been signed in Moscow, RENMIN RIBAO qualifies it as a document of exceptional significance because it deals with mutual relations between two of the modern world's vast powers which have a common border stretching for over 4,000 km. "Healthy and stable relations of good-neighborly friendship and mutual cooperation," the newspaper writes, "not only correspond to the fundamental interests of the two countries' peoples. They are of enormous significance for peace and the development of the Asia and Pacific region and the whole world."

Thus the term "friendship" has again begun to figure in joint declarations, exchanges of speeches, and in newspaper reports. It is as though it has returned to the Russian and Chinese political lexicon from the romantic days of the distant fifties. Admittedly, both sides strenuously emphasize that there cannot be a question of alliance relations, but on the other hand the word "friendship" is constantly accompanied by lavish formulas such as "orientation toward the 21st century," "qualitatively new level of relations," and so forth.

In this connection it would be a good idea to refer back to the text of the conversation between Deng Xiaoping and M. Gorbachev, which is contained in volume three of the selected works of the architect of the Chinese reform, which are now being studied everywhere here as a kind of catechism of "socialism with a Chinese specific." It emerges from the text of the conversation that Deng Xiaoping proposed regarding the then USSR president's visit to the PRC as an act of normalization of Chinese-Soviet mutual relations, adding: "As regards the development of exchange, I have one important proposal to make—more concrete deeds, fewer idle words." Do present Russo-Chinese top-level contacts meet that criterion?

The signing of the agreement on the western section of the Russo-Chinese border can undoubtedly be regarded as a real and meaningful action. After all, border disputes between our countries, which almost go back to Peter the Great's time, continued into the era of socialist building. The fact that virtually the whole of this enormous border has now been enshrined in law is a substantial achievement. The logical consequence of that is a joint statement on the detargeting of strategic nuclear missiles. The newly acquired sense of a "rear security" is highly important both for China and Russia because in the present extremely anxious and troubled world it increases the chance of being sufficiently independent of third powers—if that is what you want.

As for economic cooperation, there is still quite a lot of uncertainty there, unfortunately. All that we have here are some vague promises about Russia's involvement in the modernization of enterprises built in the fifties with Soviet help, its participation in international deals relating to the construction of the Sangxia hydropower installation on the Chang Jiang River, and the creation of joint "free zones." In that sense the visit to Beijing by U.S. Trade Secretary Brown on the very eve of Jiang Zemin's departure for Moscow seems immeasurably more concrete and effective. Trade with China, I would remind you, has provided America with at least 150,000 jobs. What about Russia?

The activation of contacts in itself (if they really are intensified after this visit) could be assessed as a real achievement if at the same time the Russians finally give serious thought to the lessons to be learned from the Chinese experience of reform. In life, however, when you have a friendship between someone who is outstanding but modest and diligent and a second-rate loafer it is rare that the influence of the latter prevails. But the Russian "piratizers," as I have had occasion to write before, arouse black envy among some people here in China. And if in contacts between Deng Xiaoping's reforms and the reform "a la Gaydar" the latter were to prove influential, the 21st century will be dismal for both states and for mankind as a whole. I hope that this does not happen: You only need to cast a serious eye over the facts and figures cited by Jiang Zemin in his report delivered at the Moscow Institute of International Relations recently to see for yourself the enormous and undoubted advantages of the "Chinese model."

The PRC President's visit to Russia has opened up excellent prospects for reviving its semiasphyxiated industry and good opportunities for real business people. Everything is now in their hands (and the Russian legislature and executive): If they put to one side the recently signed documents and act in the spirit of the prompt that Deng Xiaoping once gave to Gorbachev (and which he, regrettably, was unable or unwilling to use appropriately in his activity), then the talk of "constructive partnership" and "orientation toward the 21st century" will acquire real content.

...The theme of Russia in RENMIN RIBAO is now giving way to that of Ukraine. Perhaps Jiang Zemin's talks and contacts in Kiev will be even more productive and businesslike than those in Moscow.

Agreement on Visa-Free Travel To Be Signed With Cyprus

MM0709093194 Moscow IZVESTIYA in Russian 3 Sep 94 p 1

[POSTFACTUM report: "Going to Far-Off Cyprus Is Like Going Home"]

[Text] Prime Minister Viktor Chernomyrdin has signed a decree on the signing of an agreement between the Russian Federation Government and the Cypriot Government on visa-free entry and exit procedures.

The draft agreement envisages that citizens of both states who hold current passports can enter the other state's territory without visas for a period of up to 90 days.

Country Seen Not Dependent on U.S. Grain Procurement

MK0709095094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 94 p 2

[Report by Vladimir Sanko in the "Trade" column: "Moscow Could Buy Too Much Grain. A Visit by the U.S. Agriculture Secretary Has Started"]

[Excerpt] [Passage omitted] At the last moment the question of grain deliveries has been included into the agenda of the U.S. agriculture secretary's visit. The U.S. concern is understandable: American producers, who expect to gather in a bumper soya beans and maize harvest, intend to pressure their administration to grant Russia new export credits to buy U.S. agricultural products.

Recently the Russian leadership has stated more than just once that Moscow does not intend to resume massive grain procurements in the next few months in spite of this year's decline in the grain harvest to 90-94 million tonnes (compared to 99 million tonnes in 1993). Only a week ago the question of large-scale grain purchases did not arise. The question was about 1.5 million tonnes of grain, which constitutes a substantial part of Russian state procurements, mainly for the Russian Far Eastern regions where grain delivery from across the ocean is cheaper than transporting it all the way across Russia.

Reports have emerged in the last few days about a possible import of 6 million tonnes of grain, including 1 million tonnes of barley. According to EkoTASS, Russian Federation Agriculture and Food Ministry experts strongly doubt the need for buying barley. They believe that there is plenty of barley in Russia while the import of grain leads to higher prices in baked products. Thus, a tonne of imported grain bought in the first half of 1994 and shipped to Russia's ports cost approximately $170, which at the current exchange rate is 366,000 rubles. At the same time, grain produced in the Russian Federation was purchased in the first half at merely 72,000 rubles per tonne.

The need for buying grain at such a price can indeed be called into question given that even Roskhlebprodukt buys it at 180,000 rubles per tone, a price at which no one buys on Russian commodity exchanges. No deals in excess of 150,000 rubles per tonne have been recorded, while grain producing regions buy grain into local funds at 100,000 to 110,000 rubles.

In addition to transport, the grain import issue also has financial aspects: Imported grain can be received for credits while money for domestic grain has to be paid up right now.

Political Issues

Released FCS Officer Holds Briefing on Chechnya

LD0609115494 Moscow Radio Rossii Network in Russian 1000 GMT 6 Sep 94

[Text] A briefing was held at the Federal Counterintelligence Service building in the Lubyanka today on the release of Federal Counterintelligence Service Lt-Col Stanislav Krylov. We would remind you that on 25 August he was captured by a Chechen armed group in Groznyy. In Krylov's words, he was in Groznyy solely to gather information. However, over there he was accused of spying.

Those taking part in the news conference were not given details of Krylov's release and were told that it was possible that such a provocation could be repeated.

Stanislav Krylov said what he thought of Chechnya:

[Begin Krylov recording] My personal impression from my stay in Chechnya is that it is a very difficult region. In my personal opinion Chechnya is a detonator, like all the northern Caucasus. How the situation there is going to develop and how quickly it can be normalized depends on the situation throughout the north Caucasus. [end recording]

Aleksandr Mikhaylov, head of the Federal Counterintelligence Service press service, assured those present that their department has not planned and is not planning any acts of force in Chechnya. Nonetheless, he did say:

[Begin Mikhaylov recording] I have stressed once again that we, as a special service and a state body of authority and administration, acting in line with the Constitution, view Chechnya as a component part of the Russian Federation and therefore our actions are appropriate to what is happening there. In the event, we are considering the situation which is developing in Chechnya as a real threat of terrorism coming to the territory of Russia. We are obliged to carry out counterintelligence activities in order to prevent the spread of terrorism on Russian territory.

To close, I would like to say a few words in connection with the recent events. As you know, yesterday there was a fairly bloody clash, many civilians were killed. In connection with this, the leadership of the Russian Federal Counterintelligence Service called upon Russia's Procurator General to institute criminal proceedings in respect of the mass killings on the territory of Chechnya. [end recording]

Sterligov Criticizes Kremlin's Chechnya Policy

LD0609193294 Moscow INTERFAX in English 1605 GMT 6 Sep 94

[Text] Kremlin policy in Chechnya hardens the Caucasian peoples against Russia, leader of the Russian National Council Aleksandr Sterligov told Interfax today.

Sterligov, a former KGB general, maintains permanent contacts with Chechen President Dzhokhar Dudayev. Sterligov said he had no doubt that the present clashes in Chechnya had been provoked by the Russian leaders.

Sterligov said that such a huge power as Russia could easily destabilize the situation in tiny Chechnya but it would be one hundred times more difficult to put an end to a conflict which became a vendetta.

Sterligov said that the Russian leaders are "interested in destabilizing the situation in Caucases as then the attention of Russians can be distracted from the complex political and economic situation in the country and the unstable situation of the government and to direct the anger against 'evil Chechens.'"

Sterligov said he believes that the Russian president should try to reach an agreement with General Dudayev.

Paper Hits Dudayev's 'Provocations'

MM0609142294 Moscow KRASNAYA ZVEZDA in Russian 6 Sep 94 p 1

[Commentary by Petr Karapetyan: "Provocations Cannot Be an Alternative to a Constructive Search for a Way Out of the Chechnya Crisis"]

[Text] The latest ultimatum delivered by the Provisional Council to the Chechen president expires 6 September, but no one is under any particular illusions as far as Dzhokhar Dudayev is concerned. He will undoubtedly reject this demand from Umar Avturkhanov to voluntarily abdicate, just as he did the last. The impression arises that Dudayev has been far more concerned in recent days about the progress of the construction in Groznyy's central square of the rostrum from which he is to review the parade in honor of the third anniversary of the Chechen Republic of Ichkeria. And now the rostrum has been built. Whether or not Dzhokhar mounts it today (and the opposition's armed detachments, according to information in KRASNAYA ZVEZDA's possession, have serious intentions of spoiling his holiday), the Chechen president has brought his people to the brink of civil war. Indeed, Dzhokhar Dudayev gave a kind of answer to the opposition's ultimatum last weekend: His detachments took the rayon center Argun from Ruslan Labazanov. After the battle the Chechen Robin Hood had lost 15 of his warriors. Dudayev's followers had bombarded yet another opposition detachment. Blood was spilled, and that means that the number of people with blood vendettas against Dudayev has increased, and that means that Dzhokhar continues to counter the constructive search for a way out of Chechnya's crisis with provocations. In response to the punitive action by Dudayev's followers in Urus-Martanovskiy Rayon the Provisional Council has begun retaliatory actions in the northern part of Groznyy's suburbs.

In the "Appeal of the Russian Federation Government to the Chechen People" disseminated 3 September, Moscow officially demonstrated its attitude to Dzhokhar Dudayev for perhaps the first time in the past three years, censuring the ambitions of "political adventurists," and called on him to "find the courage to resign peacefully and with dignity." A symptomatic detail, in my view: Moscow speaks of political adventurists in the plural, thereby intimating, albeit via innuendo, that its attitude to the opposition leaders is selective.

It is quite obvious that the Russian Government's appeal was at least three years too late. It is also obvious that Dzhokhar Dudayev will not leave either peacefully or with dignity, and in his desire to hang on to power he is playing the card, just as he has in the past, of "Russian aggression on Chechnya's territory."

The "Dudayev era," however and whenever it ends (and that is inevitable), will be a striking testimony to just where the usurpation of power by one man can lead Chechen society, in which since time immemorial supremacy has been divided between the clan elders and religious authorities.

Shakhray Cited on Treaties With Regions

MM0609132594 Moscow ROSSIYSKAYA GAZETA in Russian 6 Sep 94 First Edition p 1

[Own Information report: "Vice Premier Shakhray's 'Yes, But...'"]

[Text] The first session of the Russian President's commission for the preparation of treaties on the delimitation of the areas of jurisdiction [predmet vedeniya] and powers between the federal organs of state power and the organs of state power of the components of the Russian Federation was held recently under the chairmanship of Vice Premier Sergey Shakhray.

The delimitation of competence on questions of joint jurisdiction between the organs of state power of the Federation and its components is an important mechanism for building a truly federal state and for the real equalization of the status of the Russian Federation's krays and oblasts with the status of the Russian republics. Treaties between the organs of state power of the Federation and its components enshrine the sides' rights and responsibility in the exercise of their powers and are not agreements between the "whole and its parts," even less do they define the special status of an individual component of the Federation.

The equality of all the components of the Russian Federation is a constitutionally enshrined norm and solutions to such "technical" questions as the definition of the volume of powers of the federal and regional authorities on their specific areas of jurisdiction may vary according to the specific characteristics of the socioeconomic development, cultural-historical traditions, pure administrative expediency, and other circumstances of each Russian region or republic. Instead of being extraordinary events, the conclusion of treaties must become a strictly defined procedure which takes into account "purity of technique" and the characteristics of the specific situation.

In this connection, Sergey Shakhray defined the principles of the Commission's work as a code of five sorts of "yes, but..." The process of preparing treaties with the organs of power of the components of the Russian Federation will be developed systematically but, in the first place, there should be no rush to sign them until a law is adopted on the general principles of the delimitation of the areas of jurisdiction and powers between the organs of state power of the Russian Federation and its components and a single procedure for the preparation and conclusion of such treaties is ratified.

Second, treaties cannot be concluded with the organs of power of those components of the Federation whose constitutions or charters contravene the Constitution of the Russian Federation or which are involved in regional conflicts.

Third, the texts of treaties which do not indicate the rights, duties, and responsibility of the sides but are merely a copy of articles of the Russian Constitution cannot be considered valid.

Fourth, we should not forget the experience of the signing of treaties by Tatarstan and Bashkortostan with Abkhazia, which they were not empowered to do. Agreements involving components of the Federation in the sphere of international and foreign policy activity must unfailingly be registered in the prescribed manner. The field for the preparation of such agreements falls within the joint competence of the Russian Federation and its components.

One final point: The Commission intends to observe the main principles of its activity precisely, but in this regard it must be borne in mind that sometimes a temporary technical violation of procedure may be less harmful than delay in the resolution of a problem. In that event, you have to choose the lesser of the two evils.

Directive on Government Representative to Parliament

MM0609145594 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 94 First Edition p 4

[Russian Government Directive No. 986, dated Moscow, 15 August 1994 and signed by V. Chernomyrdin, chairman of the Russian Federation Government: "On the Plenipotentiary Representative of the Russian Federation Government in the Federal Assembly"]

[Text] To ensure collaboration between the Russian Federation Government and the Federal Assembly, the Russian Federation Government decrees:

1. That collaboration between the Russian Federation Government and the Federal Assembly chambers shall

be ensured by the plenipotentiary representative of the Russian Federation Government in the Federal Assembly.

2. The plenipotentiary representative shall be empowered to:

—address sessions of the Federal Assembly chambers on behalf of the Russian Federation Government;

—ensure the presentation to sessions of the State Duma and the Federation Council of draft laws submitted by the Russian Federation Government;

—take part in the coordination of the texts of draft laws submitted by the Russian Federation Government to be given first and subsequent readings by the State Duma and present to committees of the chambers of the Federal Assembly the government's position on questions regarded as coming under the jurisdiction of the Russian Federation Government by Section 1, Article 114 of the Constitution;

—give binding instructions to ministries and other federal executive organs and to leaders of state institutions and organizations when necessary on questions connected with the presentation to the State Duma of draft laws and with their examination in the chambers of the Federal Assembly;

—and create expert and working groups and also recruit scientists and other specialists, including on a contractual basis, to assist in the exercise of his powers.

3. The plenipotentiary representative carries out the instructions of the chairman of the Russian Federation Government on questions connected with the implementation of collaboration between the Russian Federation Government and the Federal Assembly. In urgent cases the plenipotentiary representative reports directly to the chairman of the government.

4. The plenipotentiary representative is appointed and dismissed by the Russian Federation Government on the submission of the leader of the Russian Federation Government Apparatus.

The plenipotentiary representative is deputy leader of the Russian Federation Government Apparatus.

5. The activity of the plenipotentiary representative shall be ensured by the Russian Federation Government Apparatus, whose staff is to be increased by five specialists.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Gaydar Against Extending Legislative, Executive Powers

LD0609210194 Moscow ITAR-TASS in English 1815 GMT 6 Sep 94

[By ITAR-TASS correspondent Oleg Artushin]

[Text] Bryansk September 6 TASS—Russian former Prime Minister Yegor Gaydar, now the leader of the "Russia's Democratic Choice" party, who is visiting Bryansk, spoke against the extension of powers of both the Russian Federal Assembly and the president.

Answering an ITAR-TASS correspondent at a news conference today, Gaydar pointed out that "considerations of principle and law may not be substituted by some pragmatic requirements."

An official candidate for the presidential post, he continued, will be determined by his party's congress in autumn of 1995, but he said he thought Boris Yeltsin to be the only most acceptable single nominee of all democratic forces.

Gaydar predicted developments of this autumn, saying that most of opinion polls and surveys carried out by his party suggested that there is no basis for a radical deterioration of the situation in Russia. According to Gaydar, the Russians do not want riots and a civil war, although "there are forces which will do anything to raise the country's political temperature."

Gaydar: Yeltsin Best Presidential Hope

LD0609210394 Moscow INTERFAX in English 1802 GMT 6 Sep 94

[Text] Yegor Gaydar, the leader of the Russia's Democratic Choice (RDC) party, told a meeting of party activists in Bryansk, 300 km southwest of Moscow, that Boris Yeltsin was the only possible single candidate for democratic forces at the upcoming presidential elections.

Gaydar said that it was vital to start preparing for the 1996 presidential and parliamentary elections. He dismissed rumors that they could be brought forward.

He called on his supporters not to let "irresponsible people" come to power and stressed the importance of social and political stability and the continuity of policies. He said that five years of peace could result in an upturn in the Russian economy.

Earlier he told local people about his social and economic recovery plan for the area worked out by his economics think tank. He said the Bryansk region was "politically uncertain." He said that foreign investors were being frightened away by the threat of the "reds" coming to power.

Gaydar was met in Bryansk by a small but aggressive crowd bearing placards. They held an anti-Gaydar demonstration outside the building where his meeting took place.

Shaposhnikov Seen Rising as Democratic Leader

MK0709112094 Moscow KOMMERSANT-DAILY in Russian 7 Sep 94 p 3

[Report by Lev Sigal under "Consolidation of Russia's Political Forces" rubric: "The Marshal Has New Plans"]

[Text] Consultations began yesterday between Democratic Russia leaders and Russian Democratic Reforms Movement [RDRM] leader Gavriil Popov on the subject of the latter's joining the recently concluded "DemRussia-Economic Freedom Party Axis" agreement. An active intermediary role is being played by an RDRM member, Marshal Yevgeniy Shaposhnikov, who has been scoring points as a new democratic leader.

DemRussia leaders' promise to start uniting handpicked reformers seems to be materializing. But consolidation of politicians who have not gotten into the "top league," and consolidation of "stars" that are already in this league, are different things. In this instance it is hard to talk about the "upper league:" Not only DemRussia and the Economic Freedom Party [EFP] but also RDRM, following defeat in the December elections, have been pushed to the political sidelines. Gavriil Popov's attempt to make the movement a visible "third force" has clearly failed. The former mayor is now only left to forget old grievances (in the days of "Popovism," in fall 1991, DemRussia members were chanting at public rallies: "City Hall is the CPSU of today!") and enter into an alliance with other outsiders.

True, in spite of the coalition's innate weakness, it has among its assets such a figure—still very much alive—as Marshal Shaposhnikov. With expert promotion, he could be made into a leader sufficiently competitive on a nationwide scale, and then the current "stars" (Gaydar, Yavlinskiy, and Shakhray) will show greater readiness to reckon with DemRussia, RDRM, and the EFP, which they now despise. According to some reports, people in Staraya Ploshchad are also beginning to realize that the present democratic leaders have been locked in a sterile embrace, and the emergence of a fresh figure could help overcome the hopelessness of the current deadlock of young ambitions [as published].

According to information in KOMMERSANT-DAILY's possession, Shaposhnikov is seen as a possible backup for Yeltsin, although the artful tactician with a marshal's rank is also testing—as he goes along—the possibility of acting in tandem with USSR ex-president Gorbachev. Meanwhile the last Soviet marshal is entering a battle for the votes of the electorate in the Moscow Oblast constituency of Mytishchi for the seat of Deputy Ayzderdzis, who was assassinated in April. Its results will enable the inquisitive DemRussia to understand whom to support: the warrior Shaposhnikov or the merchant Borovoy.

Rutskoy Supports Early Elections

LD0609184594 Moscow INTERFAX in English 1408 GMT 6 Sep 94

[Text] The man who used to be Russia's vice president, Aleksandr Rutskoy, supports the Russian Communist Party's call for the collection of signatures under a petition demanding early presidential elections. Rutskoy leads the movement Derzhava "of social-patriotic orientation."

On Tuesday Rutskoy told Interfax that as long as Yeltsin remained president, nothing would change and no government of national confidence would be able to save the country.

The Communist Party of the Russian Federation started collecting signatures under the petition a week ago.

Despite rumors of a split in the ranks of the Russian opposition, Rutskoy said he still hinged the fate of his Derzhava movement on the united opposition front known as Accord for the Sake of Russia.

The Accord was founded in the spring of 1994 by Communist leader Gennadiy Zhuganov, Mikhail Lapshin of the Agrarian Party and a member of the Democratic Party's faction in the State Duma Sergey Glazyev, among others.

Gaining power is impossible as long as the opposition stands divided, Rutskoy said.

Next week Rutskoy plans to hold several rallies in the Kaliningrad Region. He is building the Derzhava movement in areas other than downtown Moscow because, he said, "the revival of Russia will start in the Russian provinces."

Zaveryukha at Odds With Agrarians' Leaders

MM0709082994 Moscow SELSKAYA ZHIZN in Russian 6 Sep 94 p 1

[Article by Marat Glinka under the "Fact and Commentary" rubric: "Who Benefits From This?"—first paragraph is based on POSTFACTUM reports]

[Text] "Russia's agrarians need a party of a centrist nature," Russian Vice Premier Aleksandr Zaveryukha said in Murmansk. He did so in connection with the intensified contradictions in the leadership of the Agrarian Party of Russia [APR]. According to him, APR leader Mikhail Lapshin "discredits the peasant movement with his obviously ill-considered and arrogant statements that the APR intends and is ready to take power in the country into its hands," which he made at the All-Russia Rural Assembly in Moscow 25 August. Calling that statement "Mr. Lapshin's personal position," which "in no way accords with the APR's tactics" and "pushes society toward confrontation," the vice premier declared that Mikhail Lapshin "hardly has the moral right to head the party," at the same time not ruling out a split in the APR.

When President Yeltsin issued his edict appointing Aleksandr Kharlampiyevich Zaveryukha vice premier, many people in the countryside breathed a sigh of relief: At last the government will include a plenipotentiary representative of the peasantry who knows their needs and their cares not just from books. At first those hopes seemed to be starting to be realized. Everyone remembers A. Zaveryukha's dramatic walkout from the Council of Ministers session which refused to heed the peasants' voice, and everyone knows of the great role that his persistence played in "wresting" from the budget 17 trillion rubles for the needs of the Russian countryside. For it was no coincidence that the most unbridled radical democrats demanded—repeatedly—that "the agrarians' vice premier" be made to resign. Suddenly this turn of events: The vice premier himself advocates the resignation of the chairman of the party on whose list he was elected to the State Duma.

What is going on? I have heard that Aleksandr Kharlampiyevich has not stood the test of power and that the "brass trumpets" of the vice premiership proved somewhat more terrible than both the "fire" of the democratic press, which gave a hostile reception to almost every step of his, and the "water" of the cold shower of the executive power, owing to either the inaction or the opposition of which, trillions of rubles never reached those for whom they were intended. I believe, however, that the reason lies elsewhere. It was alluded to by KOMMERSANT-DAILY, the well-informed newspaper of the "new Russian" moneybags: "In return for money the president expects the agrarians' more loyal behavior." Real pressure was exerted on the vice premier, however. It is perfectly possible that it came not only from our own Russian bureaucracy. In any case, in the talks which he had at the end of August with Gerald Wyatt, director of the OECD Food, Agriculture, and Fisheries Directorate, the Russian vice premier declared that the country "will find it hard to implement in-depth reforms without the support of the world community." But we know on what this support had hitherto been conditional. Therefore the report that in the course of those talks "an accord was reached on giving Russia assistance in the transition to a market economy in the sphere of agriculture, including the elaboration and implementation of market transformations at the macroeconomic and sectoral levels," is not so much reassuring as worrying.

It is time to understand that the APR, which quite recently was perfectly centrist, turned toward more radical actions certainly not because of the evil genius of its chairman but owing to the desperate and hopeless position of very broad sections of the peasantry, who can see every day from their own bitter experience that the authorities' present actions in "reforming" agriculture are leading to its rapid collapse and degradation. No particular differences are foreseen here between the two agrarian leaders. I believe that Mikhail Lapshin will also subscribe with pleasure to the words which Aleksandr Zaveryukha spoke at the opening of the international seminar "The Agrarian Economy of Postsocialist States in the Transitional Period": "Russia's farmers' movement must go its own way, relying on its own historical experience." The main aims of the new party, advanced by the vice premier—"improving agricultural efficiency, fostering in the peasant the sense of being the owner, and also the social renewal of the countryside"—seem to have been copied from the APR program.

APR Deputy Chairman Aleksandr Mikhaylov has said that the party's council will examine the situation that has taken shape and, "if Aleksandr Zaveryukha, State Duma deputy for the APR, insists on his own viewpoint, then the agrarians' leadership will examine the question of his remaining in the APR." I hope that things will not come to this. Now that the "democrats," who are disastrously losing their authority, are creating more and more new parties (already almost 60!), whose sole aim is to take away the opposition's votes, a split in the agrarian movement benefits only the peasantry's enemies.

Paper Reports Attack on Former Press Chief

MM0709102994 Moscow TRUD in Russian 7 Sep 94 p 1

[Unattributed report: "Mironov Was Not Injured"]

[Text] A shot was fired from an air gun Tuesday night at the apartment of Boris Mironov, former chairman of the Russian Federation Committee for the Press. A hole 2 cm in diameter was left in the window of a room on the second floor of an apartment block on Molodogvardeyskaya Ulitsa. Moscow's 121st Precinct Militia Station reported that there were no casualties.

In the opinion of Sergey Kazakov, the station's deputy chief in charge of investigation, investigation of the incident and the actual type of weapon used give reason to think that this was by no means an attempt on the former minister's life but rather an act of vandalism. Boris Mironov's apartment was selected "purely by chance."

Incident May Be 'Hooliganism'

LD0609125594 Moscow ITAR-TASS in English 1059 GMT 6 Sep 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow September 6 TASS—A shot from a pneumatic gun was made last night at windows of the apartment of Boris Mironov, former chairman of the Russian Committee for the Press. A hole with a diameter of two centimetres was discovered in the glass of a window of a room. Nobody has been hurt, ITAR-TASS learned from Moscow militia.

The inspection after the event and the type of arms used suggest that this has not been an attempt to assassinate the ex-chairman, but much rather an act of hooliganism, said Sergey Kazakov, deputy chief for the search agency of the 121st Department of Moscow militia. He said that cases of firing from pneumatic arms became more frequent from the time that pneumatic guns are sold without permit. He does not rule out that the firing at windows of Mironov's apartment may have been accidental.

Yerin, Aleksiy II To Cooperate on Crime Prevention

LD0609203394 Moscow ITAR-TASS in English 1739 GMT 6 Sep 94

[By ITAR-TASS correspondent yelena Gorelova]

[Text] Moscow September 6 TASS—Patriarch of Moscow and all Russia Alexiy II and Russian Interior Minister Viktor Yerin met at the patriarch's residence today to discuss morals in society.

The meeting decided to form a united working group for interaction between the Interior Ministry and the Russian Orthodox Church to counteract crime.

The sides signed a joint statement to dwell on bilateral cooperation areas. The statement was prepared by the Orthodox Church and the law-enforcement bodies.

The interaction will focus on crime prevention, Yerin and Alexiy II told correspondents. The church will do the moral part of the work, including in prisons and penitentiaries. The interior minister will ensure the protection of church relics and property.

The minister is sure that the "initiative of the Orthodox Church will show an example to other religions, and this is very important in a multinational state".

Yeltsin Supports Restoration of Savior Christ Temple

LD0609215494 Moscow ITAR-TASS in English 2022 GMT 6 Sep 94

[Text] Moscow September 6 TASS—President Boris Yeltsin is convinced that Russia "now needs the Saviour Christ Temple. It is a Russian national sacred monument, and it must be revived".

The Russian president's press service reports that the Russian leader sent an address to the Public Monitoring Council on the restoration of this temple, stating his support for the idea of restoration of this Russian sacred monument.

He expressed confidence that the Russian Government and religious authorities at all levels will contribute to the earliest implementation of the idea to revive the Saviour Christ Temple.

"Moral purification has always been and will be the most difficult test," the president writes. "It taxes great spiritual forces and merciless attitude to oneself. The more important is support, human sympathy, wise instruction and strengthening of faith in one's forces which people received in the temple from the days of yore."

The Saviour Christ Temple was built in Moscow as a symbol of Russians' valour in the 19th century. Money for construction was collected all over Russia. The temple was destroyed by bolsheviks in the 1930s.

Locals 'Suspicious' of UN Refugee Camp Near Moscow

MM0709100194 Moscow IZVESTIYA in Russian 6 Sep 94 pp 1-2

[Report by Gennadiy Charodeyev: "UN Refugees Settle Near Moscow"]

[Text] A UN center (camp) for the temporary housing of refugees and people from the far abroad seeking asylum in Russia is situated near Zelenogradskaya railroad station outside Moscow at a former trade union sanatorium and clinic. These people include 300 Iraqi Kurds, Afghans, Somalis, Angolans, and Chinese.

In five minutes you begin to understand why the camp inmates are so indifferent to the arrival of IZVESTIYA journalists. It is not Russia but the Office of the UN High Commissioner for Refugees that pays for their housing, food, and clothing, $3 per person per day. While the Moscow migration services, according to them, have already delayed issuing the promised interim identification papers for a month now. "We are outlaws without documents," the refugees said.

Nonetheless, one must give these people credit. They realize the economic difficulties that our country is experiencing. They know that Russian refugees from the Caucasus and from Central Asia are now having a far worse time since the Russian Government can as yet allocate them only around 1,000 rubles a day. And they are not always housed in former vacation centers, sometimes it is a question of hovels or even mud huts.

Showing off his center, Victor Larin, a representative of the French nongovernmental organization Equilibre, which carries out UN projects to aid refugees in Russia, considers himself both nursemaid and commander-in-chief in the camp. He is responsible for ensuring that pipes do not leak and that all refugees are fed and settled on time. He helps resolve conflicts; sometimes matters go so far as knife fights.

The local population takes a suspicious view of the refugees. Sometimes Kurds or Afghans are caught in private truck gardens since they do not have enough fresh greens. The camp has a rusty water pipe which delivers water unfit for preparing food. The refugees naturally take water from wells, and the locals do not like it. They are afraid of the spread of infectious diseases. And, needless to say, our people see any Afghan as a dushman. In the camp there are many officers from the higher command who fought cheek by jowl with our soldiers and officers.

Some refugees have five or six children. They have their own kindergarten and are trying to organize a school. But not even all the adults want to study Russian. Hence Victor Larin concludes that the "overwhelming majority of them have no intention of remaining in Russia."

Sometimes camp inmates disappear without trace. Their rations are distributed among their families. Those who fail to return are called the "lucky ones"—they either have a well-off relative somewhere in the Netherlands or.... One Afghan confided that the "black" market in shipping people to the West is flourishing in Russia. You pay $1,000 and you are "issued" with a real passport of a Georgian or Azerbaijani citizen. Then the whole family can be transported to Sweden or Germany "even on foot across the border."

The regional mission of the Office of the UN High Commissioner for Refugees said that there are another three UN centers for the temporary housing of refugees near Moscow—at Verbilki and near the city of Istra. They each house 250-300 people.

Need To Combat Brain Drain Stressed

MM0709125794 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 94 First Edition p 3

[Article by Sergey Mashtakov: "People We Must Fight For. Because Their Brains Are Our Future"]

[Text] The brain drain—the migration of Russian scientists—remains one of the topical themes of contemporary society. However, in the words of Boris Saltykov, Russian minister of science and technical policy, overcoming this problem requires time and money. Both of which are today in very short supply.

Studying the causes of the migration of scientific cadres, Ministry of Science staffers sketched a portrait of the statistically average emigrant scientist: A man of around 40 years of age, a top class specialist who knows one or several foreign languages. Unlike the emigration of the sixties-eighties, the current brain drain is caused by strictly economic factors: galloping inflation, the absence of major orders for scientific projects, and miserly wages. In addition, people who grew up under the Soviet system, which, despite all its shortcomings, represented a guarantee of the future, have, with the collapse of the USSR, begun to exhibit a sort of nostalgia complex for the "great power." And this complex is very hard to overcome. Hence it is above all the fragments of their dream that many scientists are today seeking in the West.

Another typical example are those who graduated from higher educational establishments in 1992-1993. According to polls carried out by the Ministry of Science among graduates, 20 percent of those questioned are ready right now to sign a contract with any foreign firm. Moreover, graduates are far more modest in their choice than their older comrades. The geography of their interests extends to the countries of the Near East and Central Asia.

Something similar is already happening. Former students who have managed to work a year or two in Russian scientific centers are today actively bought up by China and South Korea. With them they purchase scientific information representing commercial—and not only commercial—secrets. This year alone losses from such "purchases" stood at $1 billion.

The situation is worst of all as regards young people. In the words of Academician Fortov, statistics indicate that 70 percent of Russian students at technical higher education establishments link their futures with foreign countries. The students all explain their reluctance to remain in Russia by citing the economic problems mentioned above. And this is all happening against the background of a reduction in the number of school graduates entering technical higher educational establishments. So is it worth training skilled cadres for somebody else's benefit?

According to the statistics of the MVD [Ministry of Internal Affairs] Visas and Registration Department (since no official statistics were kept before the current year), in 1993-4 4,500 people left to set up permanent homes abroad. No less pessimistic are the statistics of the Russian Academy of Sciences: Last year alone the academy lost 11 percent of its best cadres.

It should be noted that in recent times Russian scientists have begun to practice a covert form of emigration—the conclusion of contracts with foreign firms and institutions for limited periods of time. Formally, such a person is a citizen of Russia, but he lives and works abroad.

This situation in Russian science can be illustrated in the example of the Landau Institute. At the beginning of the nineties 30 percent of its staffers went abroad on a permanent basis. A further 50 percent of its staffers are there on long-term and short-term contracts. Only one-fourth of the institute's established personnel actually work there today. And how many more such institutes are there in Russia!

But it is not just a question of emigrants and contract workers. In 1992-1993 80 percent of young people left science. Many of them moved to commercial structures: banks, financial companies, and, in the worst cases, kiosks trading in goods sold by the piece. It is difficult to blame young scientists for this—in our difficult times everyone survives as best he can.... However, in the opinion of Academician Kudryavtsev, the exodus of young cadres from science poses a greater danger than the foreign brain drain, since what is at stake is not only the future of Russian science, but that of the country as a whole. If this trend is not stopped, all talk of saving science could prove absurd.

Our problem is that the current brain drain is not seen as a national tragedy by Russian public opinion. The mass media dish out a variety of information to their readers every day on where and how best to set up home abroad and launch a profitable business. From the number of articles published on this topic the impression arises that people in Russia are lining up to leave. Moreover, the overwhelming majority of papers do this with the aid of well known emigrants, who frequently shock the public with their cynicism.

In the current situation many problems, including those concerning the protection of the honor and dignity of Russian scientists, could be resolved by the law "On the Science and Scientific-Technical Policy of the Russian Federation," a draft of which is in the State Duma. There is every indication that it can be expected to appear as early as this fall—if, of course, deputies do not send it back for further elaboration. However, Lyubov

Rozhkova, chairman of the Duma Committee for Education, Culture, and Science, stated on the eve of parliament's summer recess that the reading of this law in committees and commissions has not provoked any serious criticisms from deputies.

After World War II Germany set up a state fund to help impoverished professors. The creation of this fund enabled the Germans to avoid a massive brain drain and preserve unique scientific schools. In point of fact, Germany is in many ways indebted to this organization, set up half a century ago, for its current prosperity.

Something similar is being proposed today by the Russian Ministry of Science. It would appear that the creation of a Russian state fund to support Russia's elite science is the only way out of the current situation. Unlike sector-based scientific centers, which can sell their technologies and inventions, basic science is not profitable in the financial sense. But it is precisely on how stable the situation is in this sphere that society's economic prosperity in many ways depends.

Moreover, targeted state subsidies for the support of science would enable the interested ministries and departments to introduce in scientific institutions a system of contracts directed toward protecting the individual qualities of each scientist. It is perfectly obvious that this innovation would enable the country to retain many potential scientific emigrants. In addition, with such an approach to the problem it would be possible to realize Boris Saltykov's recent proposal for the institution of individual grants of $1000 for young scientists and postgraduates.

As always, it is a question of money. A search in this sphere is already being carried out. At the end of last month Russian Vice Premier Yuriy Yarov proposed to channel all funds received by the Russian Federation from its debtors into the support of science. But this is clearly insufficient. In the opinion of many members of the cabinet of ministers, major financial subsidies are needed and should be enshrined every year in a separate paragraph in the expenditure article of the budget. There is a hope that deputies of the Federal Assembly think the same way.

Media Issues

Paper Speculates on Likely Successor to Mironov

MK0609111094 Moscow KOMMERSANT-DAILY in Russian 6 Sep 94 p 3

[Report by Nika Stark: "A Fighter for an Idea Has Been Replaced by Fighters for a Legacy"]

[Text] The few days that have passed after the resignation of Russian Press Committee head Boris Mironov show that the departure of the patriot-chairman has not at all exhausted the conflict. In spite of the fact that on 3 September Viktor Chernomyrdin appointed Vladimir Volodin, Mironov's first deputy, acting committee chairman, the struggle for the chair of the main distributor of press subsidies promises to be long and strenuous. Yesterday this was indirectly confirmed at a press conference by another deputy committee chairman, Sergey Gryzunov.

First deputies often become chiefs, but KOMMERSANT-DAILY's sources do not rate too highly the chances of Vladimir Volodin, Mikhail Poltoranin's associate at the Federal Information Center, where Volodin was also deputy, simultaneously with Sergey Yushenkov. First, today a "Poltoranin-linked" past—after all, Mironov was also Poltoranin's protege—can do more harm than good. Second, Volodin is little known both in the government/presidential and the media milieu. An official at the presidential staff's Information Department working in fairly close contact with the Russian Press Committee admitted to KOMMERSANT-DAILY that he has not once met Volodin: "All matters have been handled either by Mironov or Gryzunov."

Signs are that Volodin's appointment is just a respite before a decisive battle for the chairman's seat. Sergey Gryzunov, who "finished off" Mironov and who is getting ready further to fight "Mironovism," is seen well qualified to score a victory. Gryzunov told yesterday's press conference that at the present moment the atmosphere in the committee is very strained: "Mironov has left but his ideas remained; people remained... who support his ideas and who will continue his cause." Strange as it might be, Gryzunov's rise could be blocked by his patron, Aleksandr Yakovlev, who, in all likelihood, will use the situation in the Russian Press Committee to revitalize his old idea: To create a general body overseeing the press and TV and radio broadcasting. According to Gryzunov himself, the government is already discussing the possibility of a possible reorganization, and this is not to his liking: "If this business is entrusted to non-professionals, I think that this attempt will be doomed to failure because this is monopolization." True, it would be strange if Yakovlev really managed to head a monopoly: Unless, that is, the authorities choose to spread the total chaos characteristic of Ostankino under Yakovlev also to the press.

Apart from Gryzunov, the committee chairman's post could be claimed by former Press Minister Mikhail Fedotov, who last week for some unknown reason left UNESCO headquarters, where he works as Russia's representative, and spent a few days in Moscow. According to some reports, this visit is rather connected with the events unfolding in the Russian Press Committee. No doubt, an abundance of such worthy people and propositions will force the premier to ponder his choice. The presidential staff is also pondering, in particular the Information Department. True, as Sergey Nosovets told KOMMERSANT-DAILY, so far the department has not made its final choice, but it has asked Chernomyrdin and Yeltsin to seek broader advice in considering the candidacies.

Poltoranin Seen Angling for Press Committee Job

MM0709092594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 7 Sep 94 p 2

[Article by Aleksandr Mikheyev: "Comeback For Mikhail Poltoranin?"]

[Text] The position of chairman of the Russian Committee for the Press is vacant once again.

The official side of this decision is clear. In his recent statements the chairman of the Russian Committee for the Press [Roskompechat] surprised many people with his ultranationalist views. Probably all Russian publications reacted to his very sharp words that were far removed from democratic principles, and VECHERKA even compared them to the speeches of Adolf Hitler. There was an immediate reaction from the government as well. Its opinion was voiced by Premier Viktor Chernomyrdin, who stated that Boris Mironov's position was incompatible with the performance of important state duties. Using this formula he raised with the president the question of relieving the Roskompechat chairman of his duties. The question would seem closed. But not everything is so simple in the Russian state. After all, it has long been known that people are not so easily removed from top positions in our country and their shortcomings are not randomly publicized, but only when necessary. Senior positions in this country are made vacant for someone to step into....

The campaign to extensively publicize Boris Mironov's speeches happened to coincide with the return to the presidential entourage of Boris Yeltsin's longstanding friend and adviser—Mikhail Poltoranin. No, he has not received any new appointment, he is simply back in the president's good books, with, at the same time, new opportunities to influence the political situation.

Joining the president's entourage once again, Poltoranin immediately stepped up his activity and enthusiastically dived into his favorite area—the mass media. Incidentally, whereas he was previously a radical-democratic adviser, he has now been forced to become a radical-democratic politician. His new theses about the fate of the Russian mass media were the fruits of this restructuring. And of some importance is the fact that these ideas regarding state control over the mass media have already been voiced by none other than Boris Mironov—the now ex-chairman of the Roskompechat. Admittedly, the latter voiced these views from the other end of the political spectrum, but that is pretty irrelevant to the mass media.

Poltoranin has launched a resolute bid for the position of Roskompechat chairman, again wishing to become the "godfather" of the Russian press. In an interview with an ITAR-TASS correspondent Sunday Mikhail Poltoranin stated that he "does not need this job"—but that is hard to believe. Ultimately "this job" may have a different name, but it will be occupied by the same man. We already have experience of that.

Everyone knows Mikhail Nikiforovich as the sovereign of the mass media. And he never fails to mention it. The first sign of the new coming has already appeared. Poltoranin has promised to put a stop to the chaos in Yevgeniy Kiselev's "Itogi" broadcast with the help of amendments to the Code of Criminal Procedure. And there may be more to come....

Economic Issues

Government Report Says Economy Stable

LD0609125694 Moscow INTERFAX in English 1055 GMT 6 Sep 94

[Text] The Russian economy has attained a certain degree of stability, no drops have been registered over the past three months in the monthly volumes of industrial production, says the report of the Russian government's Working Center for Economic Reforms, published on Tuesday.

Summing up the results of the past eight months, experts note that industrial decline is gradually acquiring a "structural character," while the volumes and structure of production are becoming increasingly dependent on demand. The biggest problem facing industry is debts (since the end of 1993, the debts have increased to 15-16 percent of the gross domestic product.)

For the first time ever, the share of services in the gross domestic product exceeded 50 percent.

The monthly inflation rate has come down to under 5 percent. Experts note, however, that the decreasing rate of price rises cannot be considered stable in as the budget deficit remains at a 10 percent level, while the rate of cash growth in the first half of the year far surpassed the rate of inflation.

The report also says that the population's incomes remain stable, growing at 12 percent compared to the same period last year. The population with an income lower than the subsistence minimum has decreased from 24 percent at the end of last year to 14 percent. This means the fall in living standards has been put in check, the report concludes.

Rybkin, Chernomyrdin Hold Working Meeting

LD0609121194 Moscow ITAR-TASS World Service in Russian 1037 GMT 6 Sep 94

[Text] Moscow, 6 Sep (ITAR-TASS)—A working meeting between Ivan Rybkin, chairman of the State Duma, and Viktor Chernomyrdin, chairman of the Russian Federation government, took place on Monday evening.

As the State Duma press service reported, during the almost three-hour long conversation topical problems of life today were discussed—the socio-economic situation in the country, the state of industry, the prospects for bringing in and storing this year's harvest, questions of forming the federal budget for 1995, the problems of improving the tax system, the necessity of improving cooperation between the bodies of representative and executive authority, and a number of other issues.

Soskovets To Head Banking, Finance Commission

MM0609151594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Sep 94

[Unattributed report under the "Right Angle" rubric: "He Is the Boss of all Banks...."—from the DELOVOY VTORNIK section p 1]

[Text] The Russian Government has been instructed by the president to examine the question of setting up a Commission on Banks and Financial Activity to be headed by First Vice Premier Oleg Soskovets. The commission is being set up to boost the effectiveness of the utilization of budget funds and credit resources, to improve the system of payments and settlements, to strengthen the financial credit system, to reduce the decline in production and increase investment in the main industrial sectors, to involve major banking and financial structures in the implementation of economic policy, and so on and so forth.

New Statute for Finance Ministry Approved

LD0609192794 Moscow INTERFAX in English 1604 GMT 6 Sep 94

[Text] The Russian Government has approved the new statute of the Finance Ministry, reflecting the period of transition from the planned to market economy. Until now the statute of the Finance Ministry of the USSR was applied to the Russian Finance Ministry.

First Deputy Finance Minister Andrey Vavilov told journalists on Tuesday that the new document confirms some of the recently-established principles rather than changes the ministry's main functions. Whereas previously, the budget was coordinated by the State Planning Committee, now this job is entirely done by the ministry.

Among this ministry's tasks is that of regulating the securities market. If a company violates the rules of issuing securities, the Finance Ministry has the right to stop or suspend the issue of securities and consult judicial bodies in case legal action is started.

However, the Finance Ministry's main task is, as previously, to ensure the implementation of the strategic tasks of the single state financial policy, to draft and implement the state budget, to ensure the stability of the state financial system and to make proposals on attracting foreign loans, said Vavilov.

Members Appointed to Panel on Payment Discipline

MM0609143194 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 94 First Edition p 4

[Russian Government Directive No. 1363-r signed by Premier V. Chernomyrdin and dated Moscow, 26 August 1994]

[Text] The following additional people are to be included in the Russian Government Operational Commission for the Improvement of Payment Discipline formed by Russian Government Directive No. 1235-r of 5 August 1994:

O.V. Boyko, chairman of the board of the National Credit Bank (by arrangement) [po soglasovaniyu]
L.A. Bochin, chairman of the Russian State Committee for Antimonopoly Policy and Support for New Economic Structures
O.D. Davydov, Russian minister of foreign economic relations
V.I. Davydov, deputy general prosecutor of the Russian Federation
M.I. Zhuravlev, president of the Moscow joint-stock commerce bank "Mosstroybank" (by arrangement)
E.A. Nechayev, Russian minister of health and the medical industry
V.P. Strashko, deputy Russian interior minister
M.B. Khodorkovskiy, chairman of the board of the Menatep bank (by arrangement)
V.S. Tsekhanov, chief of the Russian Federal Counterintelligence Service Economic Counterintelligence Directorate.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government
[Dated] Moscow, 26 August 1994

Central Bank Chairman on Ruble Rate Policy

LD0609194994 Moscow ITAR-TASS in English 1606 GMT 6 Sep 94

[By ITAR-TASS correspondent Leonid Vinogradov]

[Text] Vladivostok Moscow September 6 TASS—"To make the ruble plunge is not our goal. The ruble's rate against the dollar reflects necessary proportions in the existing pattern of world prices for goods," chairman of the Russian Central Bank Viktor Gerashchenko told ITAR-TASS, commenting on causes of the ruble's fall against the dollar.

Gerashchenko spoke to a news conference which was held on Tuesday within the framework of the first international banking congress of the Asia-Pacific region. He said the ruble rate has been changing even slower than the inflation rate.

Gerashchenko said a major task of the Central Bank is to restrain abrupt swings in the ruble rate. "Our policy should aim to maintain the ruble at a level which would make the deals of our traditional exporters profitable," the bank chairman pointed out.

Asked how low the ruble might drop, the Central Bank chairman said guesswork here was a thankless task. Nonetheless, he stated that an annual average of 3,000 dollars for a ruble was projected in Russia's budget revisions.

Gerashchenko pointed out that, despite the cumbersome reform process, Central Bank's 1993 currency reserves grew to seven billion dollars, from 300 million. However, the bank's experts estimated that 15 to 20 billion dollars were kept by the Russians in 1993-94 and were transfered abroad in different manners.

Asked whether it was possible to form an integral ruble zone in the CIS, Gerashchenko said the breakdown of the single monetary system had begun at the end of 1991. Fifteen independent central banks then emerged, a bizarre development in the presence of the ruble as a single tender. Some ex-USSR countries raised the question of setting up their own monetary systems. Russia and its central bank had to adequately respond to the situation, and Russia introduced its own tender, the Russian ruble, by mid-1993.

Nonetheless, Uzbekistan, Kazakhstan, Tajikistan and Belorussia [Belarus] were interested in the single montary space. However, the negotiation did not produce a single approach to the monetary union. Legislations of the republics dictated sovereignty in monetary and credit policies, while currency requires integral government. Unfortunately, Gerashchenko said, all negotiation had not yielded results.

The Russian bank chairman was asked whether banknotes with denomination of 100,000 roubles were expectable in circulation with time. He said Russia did not face the need for issuing the 100,000-ruble banknotes in 1993 and early 1994, and the need may be eluded until the end of 1994. How things turn out later depends on the inflation rate, Gerashchenko explained.

Official on Recent Ruble Fluctuations

MK0609115094 Moscow SEGODNYA in Russian 6 Sep 94 p 2

[Unattributed SEGODNYA-AFI report in the "Money" column: "Part of Target Allocations From the Federal Budget Ends Up on the Stock Exchange. Aleksandr Khandruyev: The Central Bank Is Maintaining a 'Flexible Rate of the Ruble'"]

[Text] The Russian Central Bank [RCB] "remains committed to the policy of a flexible currency rate" of the ruble and it builds this policy based on three main parameters, said RCB Deputy Chairman Aleksandr Khandruyev.

"In this policy the RCB sticks to a purposeful path," Khandruyev said. The first parameter of this path is "ensuring the competitiveness of domestic goods and encouraging Russian exporters." The second parameter is the maintenance of the rate of the ruble "at a level close to the rate of inflation." The third parameter of this policy by the RCB, according to Khandruyev, is "smoothing out sharp fluctuations of the ruble rate on the exchange market."

Meanwhile the past two weeks, as is known, have seen sharp fluctuations in the rate of the dollar. Thus, on 31 August the rate of the dollar at the Moscow Interbank Currency Exchange jumped by 44 rubles to 2,197 rubles per dollar, which alerted many traders and gave rise to many questions and suppositions.

These two weeks on the currency market "were very complicated," Khandruyev noted. Commenting on the developments on the money market, the RCB deputy chairman said that the disruption of the balance on the currency market was related to the fact that more than 10 trillion rubles allocated from the federal budget have apparently "not been fully used according to their designation" and "part was siphoned off to the currency exchange."

In addition, according to Aleksandr Khandruyev, a certain role in fluctuations on the Moscow Interbank Currency Exchange has been played by a decline in inflation rates and, as a result, a reduction in the interbank market's credit interest rates. He also recalled that at present the three-month annualized credit rate on the Moscow market is on average 125 percent. Taking these factors and the current situation into account, Khandruyev explained, "as of 23 August the RCB also reduced the refinancing rate from 150 percent to 130 percent."

Therefore ruble assets became "relatively less attractive" and part of them "ended up on the currency market," the RCB deputy chairman said.

Provisions of Central Bank's Ruling Eyed

MM0209153194 Moscow IZVESTIYA in Russian 2 Sep 94 p 1

[Reports by Leonid Nikitinskiy, Ivan Zhagel under the general heading "Central Bank Sending Its 'Commissars' to Insolvent Commercial Banks. Its Goal Is To Protect Interests of Millions of Depositors"]

[Text] It has just become known that Viktor Gerashchenko, the country's chief banker, has recently signed the "Provisional Statute on an Interim Administration To Manage Commercial Banks and Other Credit Institutions."

In accordance with it, the Central Bank will appoint interim administrations to the banks for a period of up to six months in cases where a commercial bank's administration is not in a position to ensure its working in accordance with the law, is in an unsatisfactory financial position, has lost control over the bank, and so on.

It is possible that this document will elicit protests from the managements of a number of commercial banks as it creates the grounds for administrative interference by state organs in the realm of private business.

We turned for an explanation to Petr Barenboym, leader of the Federal Insolvency (Bankruptcy) Administration International Consultative Council and vice president of the International Lawyers' Union.

"Elements of state interference in commercial banks' activities are definitely to be found here. However, a bank is not a private concern. Apart from the state's money, that of many corporate bodies and individuals will have been deposited in any one of them. The appointment of an interim administration is an extreme measure but, in accordance with the laws of the majority of countries with developed market economies, such measures are or may be taken. The prerequisites for this were established here in the Law 'On the Central Bank of the Russian Federation (the Bank of Russia).'

"I consider Viktor Gerashchenko's signing of this document to be very timely. It is possible to predict that there will be a series of bankruptcies of commercial banks which are linked together and therefore may begin to collapse one after another by the domino effect. For example, those essentially fraudulent transactions which, alas, several commercial banks carried out involving wittingly obtaining from each other and distributing to third parties nonrepayable credit, will founder.

"The initial acquisitive period is already over, the time when the most important qualities were cunning and resourcefulness bordering on criminality and when it seemed to many that, to paraphrase the well-known saying of the leader of the world's proletariat, any cook can manage a bank. Now qualifications are essential and many of our upstart bankers do not, alas, possess them. It is with this in particular that the necessity to temporarily replace them at the helm of the commercial banks—using force if they object—is linked.

"If the appropriate preventive measures are not taken, there is a threat of a serious financial and economic crisis taking place, not to mention the fact that the citizen who are depositors will sustain losses. On the one hand, the bankruptcy of a bank is a specific example of an enterprise going bankrupt, but on the other hand it is more dangerous due to the banks' special role in the financial system.

"In essence the bankruptcy of a section of small banks is effectively already going on unseen: They are being swallowed up by larger ones, though often without changing their names. But it is dangerous to let this process slide. The procedure for bankruptcies should be governed by detailed regulations. Here, the liquidation of a bank represents an extreme contingency, and recapitalization and recovery, if they have the slightest chance, are still preferred. This is precisely what the interim administration of commercial banks will be doing, which, while appointed 'from above,' is in the interests of the lenders and depositors, and the shareholders and founders who are behind the banks.

"A correctly applied bankruptcy procedure is more a good than a bad thing for all concerned; its purpose is not to liquidate enterprises, but to save them, inasmuch as this is possible. In the United States, where I had the opportunity to work in a legal practice, up to 1 million such procedures go through the courts in a year, while here during the one-and-a-half years the Law on Bankruptcies has been in effect, there have only been about 100, although the arbitration system is in principle ready to examine such cases. A corresponding normative base regulating in a more detailed manner the procedure for applying the existing laws is essential. The 'Provisional Statute on an Interim Administration To Manage Commercial Banks...' is one model for this work." [Nikitinskiy report ends]

The appearance of the "Provisional Statute on an Interim Administration To Manage Commercial Banks and Other Credit Institutions" of course affects the interests of the commercial banks themselves to a greater degree. Therefore we decided to clarify the attitude to this document of the Association of Russian Banks [ARB], which includes more than one-third of the country's credit institutions.

In an interview with this newspaper, ARB Vice President Vyacheslav Zakharov stated that the association does not yet have the document itself but there was a rumor around that it would appear. At present a period of great ordeals is starting for the commercial banks and many are getting into difficult financial positions, among other reasons due to the low professional level of their managements. Therefore, the appointment of interim managers with sufficient experience, qualifications, and knowledge is not only in the interests of the banks which have gotten themselves into a difficult position but of the banking community as a whole.

Furthermore, the practice of appointing interim administrations to banks when they have gotten themselves into difficult financial positions or have effectively gone bankrupt has already taken place. However, the position of these people was not formalized legally which created quite a few problems for them. They simply did not know how to build their relations with the banks' managements and customers.

V. Zakharov also considers that the provisional statute on the interim administration does not contradict either the existing laws or even normative documents which may appear in the near future. For example, Article 18 of the new version of the Law "On Banks and Banking," to which the State Duma has already given its first reading, says that interim managers may be appointed in cases of swindling and other misdemeanors by the banks' managements. It would in addition be good if these people's rights and duties were already regulated clearly in advance.

Shokhin Views Debt Servicing Problems

MM0609124594 Moscow ROSSIYSKIYE VESTI in Russian 6 Sep 94 p 2

[Article by Russian Government Deputy Chairman Aleksandr Shokhin: "New Scheme for Paying Foreign Debt Is Being Prepared"]

[Text] I have already mentioned the Russian Government's official viewpoint on servicing the foreign debt: It has not raised and does not intend to raise the question of writing it off at the Paris Club. And the next talks with the club could start in the very near future in accordance with the scheme suggested to us by the club and the IMF in June: A mission from the IMF will arrive 7 September. Work will be continued in October.

It is a case of preparing an agreement on reserve credit, so-called stand-by credit. On their [as published] basis the Paris Club is prepared to grant us a deferment of many years for the period of operation of the stand-by credit: For 18 months to two years with a maximum of three years.

In my view this scheme is not ideal. In particular because a mechanism has already taken shape which enables us together with the Paris Club to determine quite promptly the level of payments to official creditors according with our financial potential. And these payments depend on the annual Russian budget. In this connection one remembers the joke about the borrower and the creditor, of which there are many versions. One of them is: If I owe $5 that is my problem, if I owe $1 million, it is more of a problem for whoever gave me the money. Speaking in jest, so far the Paris Club is more interested in talks with us than we are with it: After all, Russia is the debtor. That is probably why at the start of each year an initiative comes from Paris asking whether it is not time to begin the next talks. We sit at the conference table and reach agreement with each other quite quickly.

But this option also has shortcomings as, indeed, does the option suggested by the Paris Club. These shortcomings are that what is being discussed is a deferment only of current payments. It is obviously for precisely that reason that Minister O. Davydov raised the question of writing them off—after all, it is a case of the accumulated debt and its approximate halving.

But you must bear in mind that writing off part of the debt presupposes re-registering it as securities—bonds and registered promissory notes. Yet they are not subject to restructuring, they must be paid punctually. For instance, take last year. We should have paid the Paris Club members over $17 billion. Let us suppose that the writing off scheme had operated and according to the payments schedule we had to pay about half that sum, for instance $8.5 billion. But according to our agreement with the Paris Club we paid $2 billion.

That is, from the viewpoint of the current budget situation the debt servicing scheme now in operation enables us to get out of the situation. The problem is that it has so happened that the peak of payments, the largest sums of payment of the debt of the former USSR, falls in 1993-1995. After that Soviet debts will not oppress our budget for several years. They will make themselves felt when we have to settle accounts on deferred payments under the schedule compiled with the Paris Club. So that from today's position the scheme of annual agreements on the deferment of current payments suits us completely. Of course, if we continue our former tough line in talks with creditors and seek acceptable agreements. We must do this next year too.

I would divide the foreign debt problem into two halves. One is that sooner or later the accumulated debt will begin to pressure us. The other is not Soviet but Russian debts. It is very important not to drag ourselves into a debt noose with excessive foreign borrowing on ordinary commercial terms. Unfortunately we are not behaving entirely properly in that respect. In particular we are letting through papers which bind us to tough budget commitments. And we are calmer about this than we should be.

I have in mind government guarantees on credits. A very large number of enterprises ask us for these guarantees. Now, for instance, a draft edict on the Likhachev automobile plant is being prepared. As you know, during Premier Viktor Chernomyrdin's visit to Yaroslavl the question arose of such credit guarantees for the Yaroslavl MPZ [expansion unknown]. The Kama Truck Plant is asking Japan's "Eksimbank" [name as transliterated] for credit, also with government guarantees.

But they all mean state budget payment commitments for loans for specific enterprises. Experience shows that as soon as they receive these guarantees they "forget" to pay for the credits. So we should develop a very tough mechanism which would transfer these guarantees to the projects themselves (project financing). We have concluded framework agreements with the Americans on these terms. So far we are not managing to agree on the matter with the Japanese, who are lobbying for government guarantees: It is advantageous and convenient to obtain them since there is no need to look into the project itself and to investigate whether it will provide an income sufficient to pay off the credit.

We will nonetheless continue our line, overcoming pressure from our donor partners, seeking to ensure that they grant credits with guarantees from the projects which they are financing. We already have good examples: The oil and gas sector can provide all the necessary guarantees independently.

As for the problem of the accumulated debt, and of what to do about it, there are, as I have already said, other options for servicing it. We are now working them out and in the very near future we shall begin consultations with our creditors.

For this period we must fix not the terms on which we shall obtain a deferment but the absolute sums of the payments, which is not being done now. The present agreements merely stipulate what the interest rate is, when it is paid, and so forth.

As has already been noted repeatedly, for us the main problems in servicing the foreign debt are connected not with the actual sum of the debt but with the concentration of the main volumes of payments in a short period of time and this period has occurred in the present years, when the budget is strained to the limit. Because of this a restructuring of payments, for which we are obliged to pay, is necessary.

Considering that amendments to current payments will also be required in years to come, we are now elaborating at the technical level an option for the more radical and at the same time simpler solution of current problems of debt servicing which does not suggest writing off the debt. Its thrust lies in determining the foreign debt servicing schedule that is acceptable to us for the next few years, a schedule which will set a "ceiling" to these expenses for the budget. This horizon is not limited to the traditional period of 18 months to three years which Paris Club creditors usually link to the IMF standby program and call a deferment for many years. It is a case of, for instance, a period of 10 years.

Ultimately we could have a scheme no worse than the writing off scheme in terms of its economic consequences. That is our Russian proposal.

On the basis of this schedule we could conduct talks with creditors on restructuring the entire accumulated debt with a view to coordinating efforts which actually go beyond the set limits of servicing the debt year by year. If this scheme proves acceptable to us and the creditors of the former USSR then the acuteness of debt problems and at the same time the hated disputes in the pages of the press about what the foreign debt is and how to fight it will most likely cease to be topical.

Of course, the Russian debt will remain. But if we record the figures for its payment broken down year by year then depending on the sum of the Russian debt the commitments for servicing Soviet debts could change. That is the point of this scheme.

Text of Government Export Control Decree

MM0709103994 Moscow ROSSIYSKAYA GAZETA in Russian 6 Sep 94 First Edition p 4

[Decree No. 1005 of the Russian Federation Government "On Questions Concerning the Organization of Export Control in the Russian Federation," signed by Russian Federation Government Chairman V. Chernomyrdin and dated Moscow, 30 August 1994]

[Text] In accordance with the Russian Federation President's Edicts No. 388 of 11 April 1992 "On Measures To Create an Export Control System in the Russian Federation" and No. 1444 of 24 September 1993 "On the Russian Federal Currency and Export Control Service," the Russian Federation Government decrees:

1. It is deemed necessary to widen the Russian Federal Currency and Export Control Service's functions as regards supporting export control work in the Russian Federation.

The Russian Federation Ministry of the Economy's functions associated with supporting the activity of the Russian Federation Export Control Commission Under the Russian Federation Government are transferred to the Russian Federal Currency and Export Control Service.

In this context the government agrees with the Russian Federal Currency and Export Control Service's proposal to create a structural subsection as part of this service's central apparatus and give it the said functions, including the functions of a working organ of the Russian Federation Export Control Commission Under the Russian Federation Government.

The maximum number of officials of the Russian Federal Currency and Export Control Service's central apparatus is to be increased by 12, with a corresponding reduction in the maximum number of officials of the Russian Federation Ministry of the Economy's central apparatus prescribed by Russian Federation Government Decree No. 240 of 28 March "On the Russian Federation Ministry of the Economy" (Collected Acts of the Russian Federation President and Government, 1994, No. 14, Article 1057).

Within two weeks the Russian Federation Ministry of Finance is to submit proposals on revising the annual wages fund for officials of the central apparatuses of the Russian Federation Ministry of the Economy and the Russian Federal Currency and Export Control Service.

2. One additional post of deputy leader of the Russian Federal Currency and Export Control Service is created. It is prescribed that the nomination submitted by the leader of the Russian Federal Currency and Export Control Service for the post of this service's deputy leader, who will be in charge of export control questions, is to be considered by the Russian Federation Export Control Commission Under the Russian Federation Government.

The Russian Federal Currency and Export Control Service Collegium is to have 13 members.

3. It is prescribed that applications made by economically autonomous [khozyaystvuyushchiye] Russian Federation components for a ruling on the possibility of exporting certain types of raw and other materials, equipment, technology, scientific and technical information, and services which could be used to create mass destruction weapons, missile delivery systems, and other most dangerous types of weapons, and all necessary documentation are to be sent to the Russian Federal Currency and Export Control Service.

4. Within one month the chairman of the Russian Federation Export Control Commission Under the Russian Federation Government is to submit proposals to the Russian Federation Government on making the amendments entailed by this decree to the Statute on the Russian Federation Export Control Commission Under

the Russian Federation Government, approved by Russian Federation Government Decree No. 842 of 2 November 1992, and to this commission's personnel.

5. Within one month the Russian Federal Currency and Export Control Service, by agreement with interested ministries and departments, is to submit proposals to the Russian Federation Government on on making the alterations and additions entailed by this decree to the Statute on the Russian Federal Currency and Export Control Service, approved by Russian Federation Decree No. 1157 of 12 November 1993, and to other legislative acts regulating export control questions.

Tax Contemplated To Finance Crime-Fighting

MK0609104094 Moscow SEGODNYA in Russian 6 Sep 94 p 2

[Report by Sergey Seninskiy under the "Draft" rubric: "Russians Will Have To Pay for Security. Citizens With Wages Less Than 75,000 Rubles Will Be Exempt from New Tax To Finance Law-Enforcement Agencies"]

[Text] A new tax on individuals could be another source of financing the struggle against crime. A well-informed official at the Finance Ministry has revealed the existence of a draft presidential edict "On the Procedure for Financing the Federal Program for Stepping Up the Struggle Against Crime in 1994-1995." The draft calls for levying a specific tax on individuals in order to form a special budget fund. The following tax rates are suggested: The tax will not be levied on monthly incomes of less than 75,000 rubles [R]; from R75,000 to R300,000, the tax rate will be 0.5 percent; from R300,000 to R1 million, 1 percent; from R1 million to R2.5 million, 2 percent; over R2.5 million, 3 percent. The money thus obtained will be channeled to finance the Internal Affairs Ministry, the Federal Counterintelligence Service, the General Prosecutor's Office, the Justice Ministry, the State Customs Committee, the Tax Police Department, and other agencies. The draft's authors estimate possible revenues from this tax at R2 trillion, of which over R1.3 trillion must be transferred to the Internal Affairs Ministry.

Arbitration Court Denies Ruling on Company

MM0609143594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Sep 94 p 3

["Russian Superior Court of Arbitration Press Service Reports"—KOMSOMOLSKAYA PRAVDA headline]

[Text] The 17 August evening news ("Ostankino" and NTV) carried a report that the Russian Federation Superior Court of Arbitration had ruled the operations of the "Russkiy Dom Selenga" limited partnership to be illegal.

In connection with this report we would request that the following be taken into account.

The Russian Federation Superior Court of Arbitration has not made any ruling holding the activity of the "Russkiy Dom Selenga" limited partnership to be illegal. Clearly, this is a reference to a case heard by the Volgograd Court of Arbitration in 1992.

This case involved an action brought by the "Russkiy Dom Selenga" limited partnership to deem null and void an act of the State Tax Inspectorate for Volgograd's Traktorozavodskiy Rayon and to suspend operations against the accounts of the "Russkiy Dom Selenga" limited partnership at financial and lending institutions.

For its part, the defendant—the State Tax Inspectorate for Volgograd's Traktorozavodskiy Rayon—brought a cross-action calling for the operations of the "Russkiy Dom Selenga" limited partnership to be ruled illegal, for the monies obtained as a result of its illegal operations to be forfeit to the state, and for the partnership to be wound up.

A ruling on the case was handed down by the Volgograd Court of Arbitration 29 December 1992 and by its appellate collegium 5 March 1993.

The Russian Federation Superior Court of Arbitration then received a statement from the "Russkiy Dom Selenga" limited partnership protesting the Volgograd Court of Arbitration ruling. But a 21 May 1993 letter from the deputy chairman of the Russian Federation Superior Court of Arbitration rejected the protest contained in the statement.

Thus, the Russian Federation Superior Court of Arbitration has not heard a case on ruling the operations of the "Russkiy Dom Selenga" limited partnership to be illegal either as the trial court, or as the superior court, or in a supervisory capacity. All the correspondence on the case occurred in 1993.

Fitur Urges Affiliation to ILO Conventions

MM0609140094 Moscow RABOCHAYA TRIBUNA in Russian 3 Sep 94 p 2

[Report from the FITUR information center: "Necessary To Begin From Other End"]

[Text] The international theoretical and practical conference "Reform of Labor Legislation in the Period of Transition to the Market Economy" was due to end yesterday in Moscow. It is being held by the Academy of Labor and Social Relations and the Ebert Fund (Germany). FITUR [Federation of Independent Trade Unions of Russia] took an active part in the preparation and work of this conference. What prompted such an impressive conference, and what is FITUR's stance on the questions under discussion?

"The reform being carried out in our country undoubtedly requires a radical change in labor legislation," Konstantin Krylov, secretary of the Federation, said. "However, we believe that it is premature right now to adopt a new labor code. First we need to ratify something like 10-12 conventions of the International Labor Organization. That is to say, not smash existing legislation, but extend it. Second, new provisions should be enshrined in collective contracts and agreements and tested in practice. And whatever achieves broad acceptance should be inserted in the new Labor Law Code. In addition, the new legislation on labor safety can be adopted only after the Civil Code has been adopted."

Inflation Slows in Last Week of Aug

MM0609132994 Moscow IZVESTIYA in Russian 6 Sep 94 p 1

["Own Information" report: "Inflation Rate Down Again in August"]

[Text] The State Committee for Statistics reported that in the week 24 through 30 August prices of goods and services rose 0.7 percent. The price of food, nonfood goods, and consumer services rose by 0.3 percent, 1.3 percent, and 0.6 percent respectively.

At the same time food prices in organized trade outlets rose by 0.6 percent, while prices at unorganized trade outlets were down 2.5 percent.

In August as a whole the consumer price index was 104 percent. Since the beginning of the year prices of goods and services have doubled.

Plan for Upgrading Road System Unveiled

MK0609105094 Moscow KOMMERSANT in Russian No. 33 6 Sep 94 p 4

[INTERFAX report: "Russian Roads To Become 40 Percent Longer"]

[Text] The Russian Government has approved a program called "Russian Roads." The program stipulates that by the beginning of the next century the amount of paved roads must go up by 30-40 percent, that toll roads will emerge, and that bridges and crossings will be renovated. It is planned to build new highways: Moscow-St. Petersburg, Moscow-Minsk, and Moscow-Rostov-on-Don.

Russian Transport Minister Vitaliy Yefimov has said that currently experts estimate the country's "objective requirements" for roads at 1.5 million km. So far, however, there are 927,000 km of country roads, of which only 560,000 km are paved. A total of 150 district centers and half the rural settlements do not have access to paved roads. Some 40 percent of the country's bridges need either renovation or expansion. According to the Transport Ministry's information, in the past 10 years the amount of motor roads has gone down 41,000 km because some of them have fallen into disrepair due to a lack of funds for renovation.

AKKOR Leader on State of Private Farming

MM0709111594 Moscow IZVESTIYA in Russian 6 Sep 94 p 4

[Article by Valeriy Konovalov: "Government Has Left Private Farmers to Mercy of Fate, President of Russian Private Farmers Association Vladimir Bashmachnikov Believes"]

[Text] "There may quite well be a conspiracy on a very large scale by officials aimed at stifling private farming in Russia. These officials are being goaded and actively backed by defenders of the kolkhoz system who are afraid of competitors in the shape of the as yet still weak but promising private economic system. It is hard to find any other explanation for the current state agrarian policy. Apart from a baseless, disdainful attitude to the new system. But can anything be baseless in this situation and at this level?"

That was what Vladimir Bashmachnikov, president of the Association of Russian Peasant (Private) Farms and Agricultural Cooperatives [AKKOR], told me. We have been acquainted with him for a long time, from the very inception of the private farm movement and his association; Bashmachnikov himself was actively involved in organizing private farming and is effectively the only one of the movement's then like-minded founders to have remained at the helm. Some have retired, some have died, and some have become Bashmachnikov's principled enemies as far as the problems of today's private farming movement are concerned.

The article in IZVESTIYA No. 133 entitled "Why Is the Private Farming Movement Marking Time? Because Bureaucrats and Crooks Are at the Helm" was the reason for this meeting of ours. The headline reflected the opinion of Timur Kadyrov, a private farmer from Moscow Oblast, who at one time took a direct part in setting up AKKOR, even investing his own savings. Needless to say, this opinion voiced by his former comrade-in-arms hurt Bashmachnikov. But he did not want to engage in polemics with Kadyrov, but set out his view of what is indeed a difficult situation within the private farming movement today.

"The problems are indeed very serious," Bashmachnikov said. "Of course, the number of private farmers is still increasing. At the start of the year there were 270,000 of them in Russia, and now there are 286,000. But that is not comparable with the rapid increase in previous years, and peasants are increasingly leaving private farming. You can take various views of this. Some people rush to speak of the collapse of private farming, some say that it has faltered. I think that the increase was excessive, we got ahead of ourselves and outstripped the base. Now increasing the number of new private farmers is not as important and essential as strengthening the old farms on the land, those that have already begun production. But there are difficulties there too."

Bashmachnikov said that this year only 70 percent of private farmers succeeded in sowing a crop. The rest did not have enough money for equipment, seed, fertilizers, fuel.... And the AKKOR president is even amazed that the percentage is so high. After all, according to him, funding for private farmers was organized in an idiotic, totally irrational way. The fact that virtually every private farmer is starting from scratch and needs support in order to get going is not being taken into consideration.

"Whereas previously there was bombastic talk at all levels of giving priority to private farming, these words have been forgotten now," Bashmachnikov said. "Private farmers have been placed in the same financial conditions as collective farms, and that means that it is not at all profitable for banks and insurance and procurement organizations to work with private farmers since they have little to their name, they are only starting to build up their capital. All state support for the new system has effectively been reduced to naught. This year 1,000 rubles [R] were received per private farmer, calculated in terms of 'Silayev's' money when this sum amounted to R20,000 per private farm."

The AKKOR president is right in saying that private farmers are quite undesirable clients for the banks. It is far easier today for a kolkhoz to obtain money since it may not be able to repay or return the money, but it is capable of mortgaging sizeable assets and using that to settle up. Odd scenarios crop up increasingly often where a private farmer reaches agreement with a kolkhoz on shared credit—the kolkhoz mortgages the property and the private farmer repays the money, leaving the kolkhoz with a profit for taking the risk when he settles up.

Is AKKOR to blame for these problems? Bashmachnikov thinks that it is only to blame for being unable to secure the kind of influence over power structures that the Agrarian Party and the Agrarian Union, in short the agrarian-kolkhoz lobby, have managed to do. "It was this year that a breakthrough occurred," he believes. "Private farmers were 'surrendered' to Lapshin and Co. This is the revenge of the kolkhoz lobby. Edicts and decrees designed to back private farming are not being fulfilled, 'pro-private farm' draft laws are being sent back and replaced with 'pro-kolkhoz' ones. An obvious example of this is the situation with the draft law on agricultural cooperatives. It was passed from office to office, committee to committee for a long time, yet this is a vitally important law for private farmers. Finally a totally different version, prepared by the agrarian lobby, which will deal a crushing blow to private farming if it is adopted was submitted for discussion."

The AKKOR president admits that there have been plenty of abuses and violations within the association, but these have been stopped. AKKOR is reproached for 'sitting on' money that it gets from the state without giving it to peasants. But, in Bashmachnikov's view, these funds are so meager that in themselves they would not have provided peasants with anything. But the commercial structures set up around AKKOR have already acquired considerable experience and produced good results. Many private farming organizations in the localities, in the Kuban, Rostov-na-Donu, and St. Petersburg, for instance, are also operating effectively....

"We would be happy not to be involved in financial matters and the distribution of resources," Bashmachnikov said. "But when money for private farmers is handed to local organs of power, private farmers generally do not receive a kopek. We do not want to be monopolists. Go ahead and set up different private farming organizations—either alternatives or in parallel—we will be only too glad. But none are being set up. And it is no coincidence that many AKKOR founders are quitting organizational work and getting wholly absorbed in their farms. Organizing the private farming movement is a thankless task. You will get nothing but hassle without government support and without a clear state agrarian policy."

However, Bashmachnikov is no pessimist. There was recently a press report that he had allegedly stated the advantages of the kolkhoz system and the inability of private farming to compete. In actual fact he does not think that at all. He is convinced of the prospects of private farming and even that it will boom fairly shortly. But, in his opinion, in order for this to occur, apart from resolving the above problems, private farmers need to organize themselves politically, create a lobby based on broad democratic forces, and thus work on the government and parliament.

There is every indication that we should expect another party to appear on our political arena, a party created on the initiative of AKKOR. This will most likely occur in the fall.

Text of Directive on Pyatigorsk Business Congress

MM0709131994 Moscow ROSSIYSKAYA GAZETA in Russian 6 Sep 94 First Edition p 4

[Directive No. 1375-r of the Russian Federation Government, dated Moscow, 29 August 1994 and signed by Russian Federation Government Chairman V. Chernomyrdin with appended listing of membership of organizing committee for the organization and staging of a congress of representatives of North Caucasus business circles]

[Text] 1. With a view to attracting investment for the socioeconomic development of the Republic of North Ossetia and the the Ingush Republic and to establish economic ties for Russian Federation components in the North Caucasus Region, a congress of representatives of North Caucasus business circles should be held 9 September in the city of Pyatigorsk.

2. The membership of organizing committee for the organization and staging of a congress of representatives of North Caucasus business circles submitted by the

Russian Economics Ministry (a listing of the organizing committee's membership is appended) should be approved.

The organizing committee should provide the relevant executive organs of the Russian Federation components with the necessary information about the organization and staging of the congress.

3. Expenses for staging the congress of representatives of North Caucasus business circles should be deducted from appropriations in the federal budget provided for miscellaneous costs.

The Russian Finance Ministry should ensure that the congress's organizing committee is appropriated 2.3 million rubles for the purposes indicated before 1 September 1994.

4. The Temporary Administration on Part of the Territory of the Republic of North Ossetia and the Ingush Republic, the Government of the Republic of North Ossetia, and the Ingush Republic's Council of Ministers should within a two-week period organize the submission of draft entrepreneurial programs to the organizing committee for the organization and staging of the congress of representatives of North Caucasus business circles.

5. The Russian Federation components' executive organs should be advised to participate in the staging of the congress of representatives of North Caucasus business circles and to provide the necessary assistance to attract various investors to develop the economy of the Republic of North Ossetia and the Ingush Republic.

6. The Stavropol Kray Administration should provide the organizing committee with the necessary assistance in the organization and staging of the congress of representatives of North Caucasus business circles in the city of Pyatigorsk.

[signed] Chairman of the Russian Federation Government V. Chernomyrdin

Membership of the Organizing Committee for the Organization and Staging of the Congress of Representatives of North Caucasus Business Circles

V.D. Lozovoy—head of the Temporary Administration on Part of the Territory of the Republic of North Ossetia and the Ingush Republic

A.G. Shapovalyants—first deputy Russian Federation minister of the economy

Yu.S. Dulshchikov—chief of the Russian Ministry of Nationalities Affairs and Regional Policy Federal and Regional Programs Department

V.N. Mitrakov—deputy chief of Russian Ministry of the Economy Regional Policy Department

T.I. Skameykina—deputy chief of the Russian Ministry of the Economy Economic Reform Department Administration for Privatization and Entrepreneurship

A.V. Korobeynikov—deputy head of Stavropol Kray Administration

A.A. Kaznacheyev—leader of the secretariat of the head of the Temporary Administration on Part of the Territory of the Republic of North Ossetia and the Ingush Republic

K.M. Doyev—Economics minister of the Republic of North Ossetia

I.A. Bankhayev—deputy finance minister of the Ingush Republic

Yu.V. Vasilyev—head of Pyatigorsk City Administration

Military & Nuclear Issues

List of Deputy Defense Ministers Published

MM0709092794 Moscow KRASNAYA ZVEZDA in Russian 7 Sep 94 p 1

["Official List. Number of Deputy Defense Ministers"—KRASNAYA ZVEZDA headline]

[Text] In connection with the fact that erroneous information about Russian Federation deputy defense ministers has recently been published in the press, we are publishing a list of them:

A.A. Kokoshin, Russian Federation first deputy defense minister.

Colonel General M.P. Kolesnikov, chief of the Armed Forces General Staff and Russian Federation first deputy defense minister.

Colonel General M.P. Burlakov, Russian Federation deputy defense minister.

Colonel General B.V. Gromov, Russian Federation deputy defense minister.

Army General K.I. Kobets, chief military inspector of the Armed Forces and Russian Federation deputy defense minister.

Colonel General G.G. Kondratyev, Russian Federation deputy defense minister.

Colonel General V.I. Mironov, Russian Federation deputy defense minister.

Colonel General V.M. Toporov, Russian Federation deputy defense minister.

Officials on Protection of Nuclear Materials

LD0609180294 Moscow ITAR-TASS in English 1520 GMT 6 Sep 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow September 6 TASS—"The system of physical protection of nuclear materials in Russia is organized at the highest level", Yuriy Volodin, head of the Department for Supervision over Assessment and Physical Protection of Nuclear Materials of the Russian State Committee for Nuclear Supervision, told a news conference here today.

According to him, this committee controls organizations of the Ministry of Nuclear Power Engineering, the Defense Ministry, the Russian Committee for Defense Industry and the Academy of Sciences which deal with nuclear materials.

Although so far supervision does not apply to "finished products" intended for military use, this problem will soon be resolved, Yuriy Volodin believes.

However, already now "materials of the first category" such as plutonium and highly enriched uranium, are "guarded well enough". Therefore it is impossible to steal a quantity of nuclear materials sufficient for manufacturing nuclear weapons.

The expert considers, a greater danger is presented not by defense enterprises but research institutions. It is exactly there a so-called "nuclear terrorism" is taking place when people steal radioactive materials which do not present either military or scientific interest.

Yuriy Rogozhin, head of the press center of State Committee for Nuclear Supervision, "recommended" potential sellers first to receive "rudimentary knowledge" of nuclear science so as not to grab unnecessary waste uranium.

Yuriy Volodin also confirmed that he did not know cases when somebody wished to buy such a commodity.

Touching on the problems of carrying out supervision over assessment and physical protection of nuclear materials, Yuriy Volodin said that so far there was no state system of assessment and control over nuclear materials in Russia. But already now a corresponding resolution of the Russian government is under preparation.

Technical means of control over nuclear materials and a legal base in this field should also be improved, Yuriy Volodin pointed out.

Regional Affairs

Dudayev's Troops Surround Opposition Near Groznyy

LD0609193094 Moscow INTERFAX in English 1802 GMT 6 Sep 94

[Text] Chechen President Dzhokhar Dudayev's troops have surrounded opposition guerrillas positioned in the village of Tolstoy-Yurt near the capital Groznyy, official Chechen military sources said.

The sources told Interfax on Tuesday that Tolstoy-Yurt, where former Russian parliamentary chairman Ruslan Khasbulatov is currently staying, is being besieged by the militia, police and a battalion most of whose personnel are Afghan war veterans.

Military analysts believe Dudayev's forces may shortly launch an attack on the beleaguered guerrillas.

According to some reports, Ruslan Labazanov, leader of one of the wings of the armed opposition, having fled Argun after the town had been captured by Dudayev's troops this week, is now in Tolstoy-Yurt.

Speaking on the opposition television channel broadcast directly from the building where Khasbulatov is living, Labazanov said he would not give up his plans to "neutralize" the Chechen president.

Dudayev Urges Population 'To Unite'

LD0609152994 Moscow INTERFAX in English 1405 GMT 6 Sep 94

[Text] Chechen President Dzhokhar Dudayev urged the population to unite. "We managed to defend our independence and if we stick together in the future we need not fear anyone," he said when addressing dozens of thousands of people, an Interfax correspondent reports. Today Chechnya celebrates the three-year anniversary of its independence. Delegations from other Chechen regions, the CIS and other foreign countries have come to Chechnya to take part in the celebration.

The Chechen Foreign Ministry told Interfax that official representatives of the North Caucasian republics had not arrived in Groznyy for the celebration. However, representatives of all peoples of this region take part in the festive ceremonies.

Dudayev thanked the crowd for their contribution to "building an independent Chechnya." Groznyy said that more than 200,000 people were present at the celebration.

Before Dudayev's speech officers of the OMON, Interior Ministry and special units marched in the square, all of them in full uniforms specially designed for each brigade by the Main Headquarter of the Chechen Armed Forces.

Dudayev is now meeting with delegations which arrived in Groznyy to take part in the celebrations. Later, he is expected to be present for a show at the central stadium in Groznyy.

Chechen Official Denies FCS Officer Released

LD0609170594 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 6 Sep 94

[Text] It should be noted that today's briefing of the Federal Counterintelligence Service evoked an unexpected reaction from official Groznyy. Igor Malov, a POSTFACTUM agency correspondent, gives the details.

[Malov] Usman Imayev, procurator general of the Chechen Republic, made a statement today that he does not know the Lieutenant Colonel Stanislav Krylov who was shown on Russian Television. The procurator called the news conference in Moscow a provocation.

According to Imayev, the Chechen special services arrested Colonel Stanislav Krylov, senior inspector of the Sixth Department of the anti-Terrorism Directorate of the Federal Counterintelligence Service, who is still in Groznyy at present. Referring to the right to keep investigative procedures confidential, Imayev did not disclose the contents of the interrogation to the journalists. However, he said that Krylov had disclosed the mechanism of Russia's intervention in the internal affairs of the Chechen Republic, and he named several high-ranking individuals from the Russian establishment who had directly participated in organizing this intervention.

Alleged 'Mass Defection' of Avturkhanov Supporters

LD0609174094 Moscow INTERFAX in English 1605 GMT 6 Sep 94

[Text] Numerous supporters of the opposition Provisional Council leader Umar Avturkhanov are said to be defecting to the Chechen president's side.

Deputy Interior Minister Lema Magomadov told Interfax that on September 5 alone nearly 300 armed fighters left the Nadterechnyy District where the opposition is headquartered.

Magomadov said that the situation in the republic on September 6 when the third anniversary of independence was celebrated remained quiet and under full control of the Groznyy government.

The reports of mass defection have not been confirmed or denied yet by the opposition.

'Some 200,000' at Chechen Independence Day Parade

LD0609191394 Tbilisi IPRINDA in Russian 1420 GMT 6 Sep 94

[Text] Groznyy (Iprinda)—An IPRINDA correspondent has reported that a military parade to mark the third anniversary of Chechen independence was held in Groznyy on 6 September.

In addressing the rally, Chechen President Dzhokhar Dudayev said that no one will deprive the Chechen people of their freedom, for which they had been striving for 300 years.

Some 200,000 people attended the parade, including representatives of all North Caucasian republics and guests from the United States and Finland. The IPRINDA correspondent learned that not all the guests who had been invited were able to travel to Chechnya because the Russian Foreign Ministry refused to issue them with visas.

Opposition Predicts New Chechen Offensive

LD0609124094 Moscow INTERFAX in English 1142 GMT 6 Sep 94

[Text] It's unfeasible for the Chechen government troops to advance toward two points at once - Tolstoy-Yurt, where the ex-Russian parliament speaker Ruslan Khasbulatov is based, and to Urus-Martan, controlled by Bislan Gantamirov's opposition units. Such a view was voiced to Interfax Tuesday by a spokesman for Chechnya's Provisional Council.

In his words, "intelligence data indicates that Dzhokhar Dudayev (after the capture of Argun - IF) is concentrating forces for a new offensive, while he has neither the strength nor opportunity for actions on two fronts at once."

He described the situation in the Nadterechnyy Region, the base of the Umar Avturkhanov-led Provisional Council, as quiet. Despite calls from Groznyy for evacuation of the Znamenskoye Region because of a possible raid on it, civilians there have stayed put, the spokesman added.

Meanwhile, Russia's Federal Counterintelligence Service has urged the Prosecutor General's Office to start a legal case on mass killings in Chechnya.

As the service's spokesman Aleksandr Mikhailov declared at a briefing in Moscow Tuesday, "it is inadmissible that the blood of civilians be shed on the territory of the Russian Federation."

In his words, "as a result of the bloody clashes" in Chechnya, "human losses run into scores of people, foremost civilians."

Interim Council Threatens To Kill Dudayev's Kin

LD0409163194 Moscow ITAR-TASS in English 1406 GMT 4 Sep 94

[Text] Znamenskoye September 4 ITAR-TASS—Ruslan Khasbulatov, the former Russian parliament chairman, late on Saturday met with Umar Avturkhanov, the chairman of Chechnya's Interim Council, to discuss the latest developments in Chechnya, ITAR-TASS was told.

The condition of the Interim Council's military units was highly appraised during the three-hour meeting. The council passed the resolution to step up military actions and to form three more battalions. Khasbulatov on his part promised to form a many-thousand militia which would go under military command of the Interim Council.

Khasbulatov said in an interview which was broadcasted by an independent TV channel after that meeting that "availability of weapons, training and morale of

Chechen Interim Council's armed forces are so high that overthrowing of Dzhokhar Dudayev is a matter of days."

Avturkhanov in turn warned that "if Dzhokhar tries and makes real his threat to assail the village of Znamenskoye, the Interim Council will answer by exterminating Groznyy's district, where Dudayev's relatives live."

Ministry Rejects Treating Chechnya as Foreign State

LD0609135794 Moscow ITAR-TASS World Service in Russian 1304 GMT 6 Sep 94

[By ITAR-TASS diplomatic correspondents Valeriy Sevryukov and Andrey Shtorkh]

[Text] Moscow, 6 Sep—Russia's Foreign Ministry has received a note from Groznyy proposing that Russia resume the "constructive negotiation process" on the basis that it is dealing with a foreign country and inviting Russian Foreign Minister Andrey Kozyrev to the celebrations marking the third anniversary of Chechnya's independence. Grigoriy Karasin, director of the Russian Foreign Ministry's press and information department, told Russian and foreign journalists at a briefing today that "this form of official note from Groznyy contradicts the constitutional bases of the Russian state, and that the Russian Foreign Ministry will obviously not reply to the letter."

"As for a possible visit by foreign delegations to the anniversary celebrations, the Russian side would like to point out that it cannot guarantee the safety of foreign citizens in the Chechen Republic," the official representative of the diplomatic department continued. "This is due to the difficult military and political situation in Chechnya, to the military activities which have started there, and to the worsening sanitary and epidemiological situation caused by the outbreak of cholera. Quarantine measures have been introduced on the Chechen border because of this.

Grachev on Troop Readiness in Chechnya

MM0609143994 Moscow IZVESTIYA in Russian 7 Sep 94 p 1

[Report by Yuriy Bespalov: "Combat Readiness of Troops in North Caucasus District Stepped up"]

[Text] Rostov-na-Donu—Russian Defense Minister Pavel Grachev's statement that the combat readiness of troops of the North Caucasus Military District has been stepped up in connection with the start of combat operations in Chechnya is more political than military in character.

This viewpoint, expressed by experienced officers, is reinforced by the fact that on Tuesday 6 September, the day after the Defense Minister's statement, the situation at the district's headquarters was calm and routine.

At the North Caucasus Military District headquarters press center, Lieutenant Colonel Ya. Firsov explained that the military term "heightened combat readiness" does not mean, for example, the redeployment of troops or the drafting of reservists. All units in the district are in their permanent deployment locations. Only a few air defense, aviation, rapid reaction, and ground force subunits in the immediate vicinity of the conflict region—in the area of Vladikavkaz, Mineralnyye Vody, and Makhachkala—have been switched to barrack status [kazarmennoye polozheniye]. Air defense troops have been ordered to monitor the air space over Chechnya with special thoroughness—technically, this operation does not require special preparations.

None of the officers from the district's headquarters whom I spoke to takes this prospect seriously and the possibility of sending troops into Chechnya is considered unlikely.

Russian FCS Asks for Chechnya Prosecutions

MM0609145794 Moscow IZVESTIYA in Russian 7 Sep 94 p 2

[Report by Arkadiy Zheludkov under the general heading "Moscow-Groznyy: Axis of Tension": "FCS Opposes Dudayev's Regime"]

[Text] Officer Stanislav Krylov's "routine assignment" to gather information for the leadership of the Federal Counterintelligence Service [FCS] ended in failure—literally 8-10 km from Groznyy the operational vehicle's path was barred by three automobiles belonging to the Chechen special services. Stanislav Krylov said at a press conference in Moscow that what happened next was "entirely professional."

"We made no compromises," Sergey Mikhaylov, deputy chief of the FCS Public Relations Center, said. "We acted in accordance with the Russian Federation Constitution, whereby Chechnya is part of Russian territory. The command of the FCS rejected an offer to swap Krylov for Avturkhanov."

Officer Krylov himself described his release as follows: "Isolated shots were heard. The fighting lasted two minutes, no more. Afterward people wearing masks burst into the room where I was and put a stocking over my face. I was then taken out to a dacha near Groznyy and thence by aircraft to Nalchik."

The FCS is so far keeping quiet about the forces involved in the operation on Chechen territory. Only Counterintelligence Service involvement in the events that took place in the republic is clearly confirmed. Inter alia, as one of the points in the charge of espionage activity (under Article 65—Espionage) the Chechen special services charged the Russian officer with activity to set up an operations group of eight snipers to perpetrate acts of terrorism on Chechen Republic territory. The list of questions put to the Russian counterintelligence officer was, he admitted, compiled in a professional, competent, and capable manner. The names of many Russian counterintelligence officers in Chechnya were cited along with their missions and histories. A great deal was muddled but the reliability of the sources is in no doubt, according to Stanislav Krylov. The interrogation of the Russian counterintelligence officer, during which he was told that if he refused to talk his daughter would be the first to suffer, was videoed.

In conclusion the FCS Public Relations Center announced that in connection with the bloody events on Chechen territory 5 September the FCS leadership has petitioned the Russian Federation General Prosecutor's Office to institute criminal proceedings on the territory of the self-styled Chechen Republic in respect of mass murders. Another FCS fear is that a center of anti-Russian terrorism could be organized on Chechen territory.

Cossack Treaty Does Not Imply Support for Chechnya

LD0609192994 Moscow INTERFAX in English 1544 GMT 6 Sep 94

[Text] The signing of a treaty on friendship and cooperation between the Don Cossack Troops and Chechnya does not mean that Cossacks intend to support the regime of Dzhokhar Dudayev. The treaty only proves the intention to maintain relations with the Chechen authorities and its main purpose is to prevent "the slaughter of Russians," Commander of the Union of Cossack Troops in Russia and abroad Viktor Rateyev said at a press conference in Moscow today.

The treaty signed on August 26 provides for cooperation between the Don Cossack Troops and Chechnya in the economic, social and security spheres.

The treaty says that aggressive actions against any of its parties must be prevented and if there is a threat to one party the other must provide assistance and support.

The parties also assume not to allow transit of troops, arms and armaments for struggle against one of the parties via their territory.

"Cossacks do not intend to interfere with Chechnya's domestic affairs, their purpose is to save Russians from possible slaughter," Rateyev stressed.

Party Leader on Petition Against Totsk Exercises

LD0109130394 Moscow INTERFAX in English 1234 GTM 1 Sep 94

[Text] Viktor Anpilov, leader of the Working Russia movement and of the Russian Communist Workers Party (RCWP), has said that 350,000 Russians have signed a petition protesting against the presence of foreign troops on Russian soil and demanding the cancellation of the U.S.-Russian exercises due to take place in Totsk, Southern Urals on September 2-9. He was speaking to Interfax on Wednesday before leaving Moscow to take part in protests against the exercises.

Around 40 Working Russia and RCWP supporters held an officially sanctioned demonstration by the Federation Council building on Thursday morning. After half an hour a council representative Anatoliy Koltunov, who heads the apparatus of the Security and Defense Committee, met the demonstrators. They gave him a document confirming the existence of the 350,000 signatures.

Koltunov told the demonstrators he considered their demands to be justified. He assured them that the contents of the document would be made known to the Defense Ministry immediately and to the Federation Council at the end of the month.

Gazprom Signs Lucrative Deal With Tatarstan

MK0609103094 Moscow KOMMERSANT-DAILY in Russian 6 Sep 94 p 3

[Report by Lev Ambinder: "Agreement Between Gazprom and Tatarstan. Gazprom Has Ensured Itself Against Nationalization for 5 Years"]

[Text] The Gazprom Russian joint-stock company will not be threatened with the nationalization of its assets in Tatarstan—this is the crux of the agreement signed 2 September between the Tatarstan government and Gazprom. Thus, the world's largest gas producing company managed to set a precedent of underpinning its property rights. Now we should await Gazprom's attempts to conclude similar agreements with the governments of CIS countries.

The agreement signed by Tatarstan Prime Minister Mukhammat Sabirov and Bogdan Budzulyak, member of Gazprom's board, stipulates that the Russian joint-stock company will enjoy guaranteed rights of ownership of its enterprises on the republic's territory. In return, Tatarstan will get uninterrupted gas supplies. This agreement on cooperation is effectively a follow-up on the treaty on the mutual delegation of powers and the delimitation of terms of reference between Russia and Tatarstan, which was signed last winter.

Under the deal, Gazprom will be given the right to carry out its activity virtually unlimited. Moreover, the Tatarstan government is ready to grant it most favored partner status. The government's obligation to turn over to the company all geological information received as a result of prospecting work financed by Gazprom and to guarantee its confidentiality looks almost sensational.

It is plainly evident that the Tatarstan authorities have not acted out of altruistic considerations. The republic's requirements for natural gas stand at around 18 billion cubic meters, while only 1 billion is produced on its territory. This is why Gazprom's promise to create a network of underground storage facilities in the republic is seen by the Tatarstan government as a fully acceptable cost of the benefits. In addition, Gazprom management is planning to place some of its orders for producing equipment at plants of the local military-industrial sector, something that, given the tense situation on Tatarstan's labor market, is a fairly significant factor.

The agreement signed in Kazan will have a number of other long-term consequences for Gazprom. First, the precedent it has set could become a model for talks between the company's management and the governments of CIS countries. Obviously, Gazprom will be unable to obtain in any other place so sweeping benefits as it did in Tatarstan, but even the creation of joint companies (for instance, to operate gas pipelines passing across Ukrainian territory) could help cut production costs considerably. Furthermore, a government veto on the nationalization of Gazprom's assets could have a positive influence on the price of the joint-stock company's shares.

Tatarstan on Need for Coordinated Foreign Policy

LD0609193894 Moscow INTERFAX in English 1544 GMT 6 Sep 94

[Text] Moscow's criticism of the framework agreement between Tatarstan (a Russian autonomy) and Abkhazia (the breakaway region of Georgia) shows that the center and regions need a mechanism for coordinated effort in foreign policy and foreign trade areas, Tatar Vice-President Vasiliy Likhachev said on Tuesday.

In an interview with Interfax in Kazan, he said that the power sharing agreement Russia and Tatarstan signed on February 15 enshrines Kazan's right to an independent foreign policy if international agreements it signs are in line with Russia's constitution and its international obligations.

Likhachev said that the overreaction to the Tatar-Abkhaz agreement by federal structures and Russian officials including the tone and substance of Vice Premier Sergey Shakhray's recent statements ran counter to the letter and spirit of the treaty between Russia and Tatarstan.

He expressed surprise over Moscow's "unprecedented" conclusion of a possible annulment of the treaty with Kazan which "is not envisaged by the existing federal constitution or the treaty itself". Likhachev described this as an example of total disregard of the law.

He said the treaty between Tatarstan and Abkhazia was not aimed against any third country, nor did it affect the two sides' commitments under other agreements.

The Tatar official called for measures to resolve the problem of coordinating foreign policy and foreign trade actions by Moscow and Kazan. These provide for setting up a joint commission, opening a Russian representation in Kazan and signing a foreign policy agreement between Russia and Tatarstan.

Maritime Territory To Include Kuril Islands

LD0509084394 Moscow ITAR-TASS in English 0813 GMT 5 Sep 94

[By ITAR-TASS correspondent Leonid Vinogradov]

[Text] Vladivostok September 5 TASS—The inclusion of the Kuril Islands in Russia's far eastern Maritime Territory is not a political move and not a territorial claim, it is motivated by the desire to recreate the single economic complex which existed in the Far East earlier, Maritime Territory administration head Yevgeniy Nazdratenko told a press conference for Russian and foreign journalists here today.

According to Nazdratenko, Russian newspapers vary in their interpretation of the idea of subordinating the Kuril Islands administratively to the Maritime Territorial administration. Some of them distort things. It is not understandable why an official representative of the administration of the Sakhalin region should have published an open letter reducing the economic move to politics.

Nazdratenko stressed one again that the Kuriles had long been tied economically to the Maritime Territory. Students from Vladivostok institutes used to help fisheries at the height of the summer season and the islands were supplied via the Maritime Territory. Ships of the Far Eastern and Maritime shipping lines delivered food, equipment and fuel to the islands, and the territory's fishing boats supplied coastal processing enterprises with fish and marine products.

The disruption of economic links, one large part of the maritime fleet had to leave the Kuril islands and make room for small private firms which are more concerned about their own profits than about the interests of the local inhabitants. It would not be wrong to return the maritime fleet to the region in order to stabilise the economy of the Kuril enterprises on the rim.

As concerns the open letter from the Sakhalin administration official, Nazdratenko stressed that the Sakhalin administration should "blush for the present state of the islands" after the inhabitants of the island of Iturup appealed to the Japanese Government and not to the Sakhalin administration for help. He said the incident was a national disgrace.

Responding to questions from Japanese correspondents worried by this latest shift in the development of the Kuril issue, the Maritime governor stressed that this was Russia's internal affair, which was in no way related to the country's foreign policy.

Nazdratenko also reported that Russian President Boris Yeltsin passed a letter about the incorporation of the Kuril Islands in the Maritime Territory for consideration by relevant bodies of state authority. The local administration has also sent letters to the State Duma, the

Federation Council, the Government of Russia and the federal counterintelligence service.

Prolonged Drought Hits Kuban Harvest Yields

MM0609085594 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 94 First Edition p 2

[Report by Vladimir Udachin under the "Harvest-94" rubric: "Heat, Drought, Harvest, Sowing"]

[Text] Few people in the Kuban can remember a summer as dry as this one. Some regions have not had a drop of rain for three months. Now it is fall, but the heat shows no sign of relenting. The corn is withering in the fields. Some 203,000 hectares of were sown to grain corn, but on one-third of that area the cobs are frail, the grain is poor, and the corn in those areas has been cut for silage. The sunflowers are wilting, too. Some 20,000 hectares have been cut for silage.

The hot weather is making it necessary to bring forward the sugar beet harvest as well. There is no hope of a bumper harvest. Yield is 213 quintals per hectare on the 12,000 hectares which have been harvested to date, and that is 50 quintals per hectare less than last year.

But it is the farms in the rice growing regions which are having the hardest time of all right now. There is a water shortage in the paddy fields. According to the specialists' estimate, the water level in the River Kuban is at its lowest this century, which is why the supply of water to the Krasnoyarsk reservoir is 2.5 times less than predicted.

Ryazan Oblast: Only Fifth of Harvest Gathered

MM0609085594 Moscow PRAVDA in Russian 3 Sep 94 p 2

[Report from the POSTFACTUM-ITAR-TASS-PRAVDA column under the general heading "Economy and Us": "Situation in Ryazan Oblast Termed State of Emergency"]

[Text] Governor Gennadiy Merkulov of Ryazan Oblast has issued a radio and press appeal to rural working people and townspeople in connection with the fact that an emergency situation has emerged in the fields, our correspondent Anatoliy Ponomarenko reports. Owing to all kinds of shortages the harvest is being dangerously delayed. Grain crops have been threshed over one-fifth of the sown area. The situation regarding field work for next year's harvest is even more alarming. Country people have only just embarked on winter sowing, although the best period is already over and only five percent of necessary amount of fall plowland has been plowed.

Tyumen Gas Refineries Halted by Pipeline Fault

MM0609133994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 6 Sep 94 p 8

[Report by Valeriy Ivanov under the "News of Calamities" rubric based on materials supplied by the Ministry of Emergencies Press Service and INTERFAX: "Accidents"]

[Text] Tyumen Oblast—Two gas refineries in Siberia were stopped after a pipeline was damaged at the end of the week. The pipeline, belonging to the Nizhnevartovsk gas refinery, suffered a seal failure 2 September 600 km northeast of Tyumen. According to preliminary information, the accident, which was accompanied by a discharge of gas into the atmosphere, was caused by a crack in the pipe. There were no casualties and no fire. The fall in pipeline pressure brought the Belozersk gas plant to a halt Friday and the Nizhnevartovsk plant stopped work Saturday.

Gaydar Talks With Kaliningrad Oblast Officials

LD0609010794 Moscow ITAR-TASS World Service in Russian 1940 GMT 5 Sep 94

[By ITAR-TASS correspondent Valeriy Biryukov]

[Text] Kaliningrad, 5 September—Yegor Gaydar, the leader of the "Russia's Choice" faction, explains his trip to Kaliningrad today as the need to familiarize himself with the situation in the country's westernmost oblast prior to the discussion by the State Duma of a draft law on its special status. Together with other leaders of the Russia's Democratic Choice party he met Yuriy Matochkin, head of the oblast administration, the oblast Duma deputies, and public representatives and spoke on local television.

"It is absolutely clear to me," Yegor Gaydar said at a meeting with journalists, "that due to its geopolitical position and remoteness from Russia, Kaliningrad Oblast needs a special status. However, this should not be detrimental to other regions and should not destroy the state's unity and ties with the common national market. These two fundamental provisions should be reflected in the new law but, unfortunately, are lacking in the draft. For the time being it is a collection of intentions without any consideration given to the possibility of implementing them," the parliamentarian stressed.

The chairman of the faction expressed readiness on the part of "Russia's Choice" to participate most energetically in finalizing this important bill, which, in his opinion, should provide a good basis for the speedy economic development of the enclave Russian region.

Rutskoy To Establish Novosibirsk Derzhava Branch

LD0509190994 Moscow INTERFAX in English 1555 GMT 5 Sep 94

[Text] Leaders of the Derzhava Movement Ilya Konstantinov and Aleksandr Rutskoy will be in Novosibirsk on September 9-11. They intend to meet with locals to explain their movement and to create a branch in Novosibirsk.

A constituent conference of the Derzhava regional branch in Novosibirsk was planned for September 11.

International Affairs

Reportage on PRC's Jiang Zemin's Kiev Visit

Jiang Arrives, Meets Kuchma

LD0609163694 Kiev UNIAR in Ukrainian 1400 GMT 6 Sep 94

[Text] Kiev, 6 Sep—A government delegation of the People's Republic of China led by President Jiang Zemin has begun its official visit to Ukraine. The Chinese delegation was met at Borispol airport by Prime Minister Vitaliy Masol; acting Foreign Minister Hennadiy Udovenko; Dmytro Tabachnyk, head of the Ukrainian presidential administration; Valeriy Pustovoytenko, minister to the Cabinet of Ministers; Zhang Zhen, China's ambassador to Ukraine; and other officials.

On arrival in Ukraine, Jiang Zemin issued a written statement for the press, saying: "The people of China and Ukraine share a traditionally friendly relationship, and China attaches great importance to the development of cooperation with Ukraine. The main purpose of this visit is to search together with the Ukrainian leadership for ways of further developing relations between the two countries in order to place them on a qualitatively new level.

"I am convinced," Zemin's statement continues, "that this visit will deepen the mutual understanding, friendship, and trust between the two people, and will open new prospects for Chinese-Ukrainian relations."

A formal welcome ceremony near Mariyinskyy Palace was followed by a conversation between President Leonid Kuchma and China's leader in a narrow circle, as well as by official talks between the Ukrainian and Chinese delegations.

Jiang Comments on Arrival

LD0609173094 Moscow ITAR-TASS in English 1558 GMT 6 Sep 94

[By UKRINFORM correspondent for TASS]

[Text] Kiev 6 Sep—Chairman of the People's Republic of China Jiang Zemin arrived on an official visit to the Ukrainian capital, Kiev, today on the invitation of Ukrainian President Leonid Kuchma.

At the Borispol airport where state flags of the People's Republic of China and Ukraine were raised, the guest was met by Ukrainian Prime Minister Vitaliy Masol, acting foreign minister Hennadiy Udovenko, head of the administration of the Ukrainian President Dmytro Tabachnik and other officials.

Among those meeting the chinese president were also Chinese Ambassador to Ukraine Zhang Zheng and Ukrainian Ambassador to China Anatoliy Plyushko.

"I am glad to have the possibility to visit Ukraine and directly familiarise myself with this beautiful country. Availing myself of this opportunity, I would like on behalf of the Chinese people to express to the Ukrainian people, specifically to residents of Kiev, cordial greetings and profound respect", Jiang Zemin said at the airport.

"The main purpose of my present visit is to search together with Ukrainian leaders for the ways of the further development of relations between our two countries so as to raise them to a new level scheduled for the twenty-first century.

"During my visit, I and President Leonid Kuchma and other Ukrainian leaders will have a profound exchange of views on bilateral relations and international issues of mutual interest".

Jiang Zemin expressed confidence that this visit will deepen mutual understanding, trust and friendship, and open new prospects for the development of Chinese-Ukrainian relations for the benefit of the two countries and their peoples.

In the course of his three-day visit Jiang Zemin is due to meet with Leonid Kuchma, chairman of the Supreme Soviet of Ukraine Oleksandr Moroz and Prime Minister Vitaliy Masol. It is also planned that the Chinese leader will visit the Paton Institute of electric welding.

It is expected that a number of important Ukrainian-Chinese documents will be signed including an agreement on cooperation in the field of merchant sea navigation, in the military and technical sphere, environmental protection, postal and electric communications. The two sides are also due to sign agreements between foreign ministries in the field of information and between Interior Ministry of Ukraine and the Chinese Ministry of Public Security.

During the Chinese chairman's visit leaders of the two countries plan to discuss the course of the implementation of already signed treaties and agreements, as well as prospects for the development of the legal basis for bilateral cooperation.

Jiang, Kuchma Sign Joint Declaration

LD0609180594 Moscow ITAR-TASS World Service in Russian 1622 GMT 6 Sep 94

[By ITAR-TASS correspondent Viktor Demidenko and UKRINFORM correspondent Aleksey Petrunya]

[Text] Kiev, 6 Sep—The working part of the first day's official visit to Ukraine by Jiang Zemin, president of the People's Republic of China, ended today with the signing of a number of joint Ukrainian-Chinese documents.

President Leonid Kuchma and Jiang Zemin put their signatures to a joint declaration of Ukraine and China. Leaders of ministries and departments signed an agreement between the governments of Ukraine and the PRC on maritime transport and between the ministries of communications on cooperation in the sphere of postal and electronic communications. Agreements between the Ukrainian Ministry of Internal Affairs and the PRC Ministry of Civil Affairs and a protocol between the foreign ministries on cooperation in the sphere of information were also signed.

An official dinner was given by President Leonid Kuchma in the evening to honor Jiang Zemin, at which the leaders of the two states exchanged toasts.

Jiang Stresses Importance of Relations

LD0609201094 Moscow ITAR-TASS in English 1950 GMT 6 Sep 94

[By ITAR-TASS correspondent Viktor Demidenko, UKRINFORM correspondent Alexey Petrunya]

[Text] Kiev September 6 TASS—The proclamation of Ukrainian independence and the establishment of diplomatic relations between China and Ukraine enabled bilateral relations to enter a new period of development oriented into the 21st century, Chinese leader Jiang Zemin, currently in Ukraine on an official visit, said here today.

He said that Ukraine is a large influential state in Europe which has a powerful potential, and China cares much about the development of relations with Ukraine. The current visit aims to discuss the development of mutually beneficial Sino-Ukrainian cooperation, said Jiang Zemin. A joint declaration signed by the Chinese and Ukrainian leaders outlines basic principles of long-term and stable development of friendly relations between the two states.

Speaking of bilateral trade and economic cooperation, the Chinese official said that the establishment of diplomatic relations has helped its stable expansion. Last year the mutual goods turnover reached 600 million U.S. dollars, and Ukraine became the second largest trade partner of China amongst the former Soviet republics. In the first half of this year the goods turnover increased by 77.3 percent as compared to the corresponding period of 1993.

In his turn, Ukrainian President Leonid Kuchma said he has visited China three times and saw enormous changes and major achievements in state building. China has its own way, said Kuchma. In his opinion, efforts of the Chinese people to build the future of its state and reserve society stability deserves a worthy estimation. The president praised the Chinese achievements on the international scene.

He said that Ukraine attaches major importance to further development of friendly relations with China which corresponds to basic interests of both peoples and helps peace and stability in Europe and the Asia-Pacific region.

The leaders exchanged opinion on international issues. They were unanimous in the opinion that all interstate conflicts should have a peaceful solution. Ukraine and China are against policy of force in interstate relations. They think that these relations should be built on principles of peaceful co-existence under the U.N. charter and other international acts.

The Chinese leader expressed the hope that Ukraine will be able to maintain stable relations with all neighbouring states, including Russia. Speaking of integrity of states, Kuchma stressed "Ukraine recognizes the fact that the Chinese Government is the only legitimate government of China that represents the whole Chinese people, and Taiwan is an inseparable part of Chinese territory". Kuchma confirmed that Ukraine does not plan to establish official relations with Taiwan.

In his turn, the Chinese leader said that China recognizes and respects sovereignty and territorial integrity of Ukraine. As for the nuclear issue, the Chinese Government values high the non-nuclear program announced by Ukraine and positively estimates the Ukrainian state measures in this direction. In his words, China will never be the first to use nuclear arms. Official Beijing calls on all nuclear powers to conclude an international convention on the non-use of nuclear arms and fully ensure safety of non-nuclear nations.

The Chinese leader invited the Ukrainian president to visit China at a convenient time. The invitation was accepted with satisfaction.

Jiang, Masol Discuss Trade Relations

LD0709093194 Moscow Mayak Radio Network in Russian 0800 GMT 7 Sep 94

[Text] The second day of the official visit by PRC President Jiang Zemin to Kiev began with a meeting with Ukrainian Prime Minister Vitaliy Masol. The conversation was held without representatives of the mass media.

It has emerged from reliable sources that the conversation dwelled on expanding trade and economic relations between the two countries and making Ukrainian-Chinese economic dialogue more specific and effective.

Ukraine's Disarmament Position Praised

LD0609194394 Moscow INTERFAX in English 1801 GMT 6 Sep 94

[Text] Ukrainian President Leonid Kuchma and Chinese head of state Jiang Zemin signed a number of bilateral documents at the end of negotiations in Kiev.

They include a joint political statement, agreement on cooperation in merchant shipping, in postal and electronic communications, between the law enforcement agencies and a protocol on cooperation in the field of information between the Foreign Ministries of the two countries.

Jiang Zemin is expected to stay in Ukraine for three days. Qian Qichen, vice premier of the State Council and foreign minister of China, will give a news conference in the Ukrainian Foreign Ministry at 11:00 on September 8.

Following the signing of the agreements Yu Zemin, press secretary of the Chinese leader, said at a briefing that the Chinese government highly appreciated the nonnuclear program declared by Ukraine and positive steps made by the Ukrainian leadership in that direction.

In his words, China viewed with understanding Ukraine's requests for security guarantees and financial aid in the disarmament process.

He said that once it had possessed nuclear weapons China had said that it would never use them or threaten to use them against nonnuclear countries and that China called on all nuclear countries to do the same. Yu Zemin said that this applied to Ukraine.

According to Yu Zemin, President Leonid Kuchma told him that Ukraine regarded the Chinese People's Republic government as the sole legitimate government of China and Taiwan as an inseparable part of China. Ukraine does not intend to establish diplomatic links with Taiwan.

Democrats Protest Draft Treaty With Russia

LD0609192494 Kiev UNIAR in Ukrainian 1400 GMT 6 Sep 94

[Text] Kiev, 6 Sep—The Ukraine [Ukrayina] Democratic Association has made public a statement on the draft agreement between Russia and Ukraine. The statement says: "Acquaintance with the draft treaty, three quarters of which has been agreed, confirms one's worst fears. All such treaties, which Ukraine has already signed with its neighbors mention (as a rule in Article 2) mutual recognition of the sides' territorial integrity and their state borders, and the absence of territorial claims on the part of the sides both during the signing of the treaty and in the future.

"The Russian delegation rejects the universally recognized norms of international law and proposes a version of Article 2, which does not have legal force and makes it possible to interpret the state Ukrainian-Russian border ambiguously and encourages territorial encroachments and conflicts. Any issues in the treaty between the states can be subject to compromise discussion and resolution, except for issues of the sides' territorial integrity and state borders.

"Therefore, the Ukraine Democratic Association believes that without recognition by Russia of the inviolability of Ukraine's state borders there is no sense in this treaty at all.

"The formulation of Articles 7, 10, 11, 14, 18, 19, 22, and 23, mentioning 'mutual assistance in repelling aggression', 'the personal rights and freedoms' of citizens of a foreign state, 'free' transit across our territory, the formation of 'a joint economic space' and so on, called for by the Russian delegation, cannot be acceptable to Ukraine. The adoption of these articles contradicts the declaration of state sovereignty and constitution of Ukraine.

"Such a treaty will draw Ukraine into the great-power empire and the armed actions of the revived imperial forces on the territory of the CIS and in Eastern Europe in general, where Russia strives to play the role of a 'peacemaking' policeman.

"Such a treaty will make possible full-scale interference in Ukraine's domestic affairs, giving citizens of another country the right to take part in the political life, the privatization of Ukraine's national wealth and the administration of our state.

"Such a treaty will eliminate Ukraine's economic independence as the only possible basis for adopting nationwide well-being. It will finally turn our state into a donor for getting the Russian economy out of the deep crisis.

"The inequality of the treaty is also demonstrated by the fact that the issue of returning to Ukraine its share of gold, diamonds, and currency, immovable property and assets abroad, Ukraine's share of property in Siberia's oil developments, the construction of BAM [Baykal-Amur railway] and other large industrial facilities and complexes is not even raised in the draft.

"Instead of becoming the corner stone of good-neighborly Ukrainian-Russian interstate relations, the treaty in this version will lead to complete destruction of the economy, spirituality, the culture of the Ukrainian people and the Ukrainian state in general."

United Arab Emirates To Buy Ukrainian Arms

LD0609133694 Kiev UNIAR in Ukrainian 1115 GMT 6 Sep 84

[Text] Kharkov, 6 Sep—After a visit to the city by Mr. Bin-Abdallah, a representative from the Defense Ministry of the United Arab Emirates, the problem of the Malyshev factory, which produces planes and tanks, is expected to be resolved. The guest studied the production process and expressed surprise that Kharkov's entrepreneurs manufacture planes and tanks on their own rather than assemble them from components. He promised that soon after his return to his homeland he will return to Ukraine to sign an agreement on the export of weapons to the United Arab Emirates.

U.S. Trains Ukrainian Paratroopers

WS0609151694 Lvov VYSOKYY ZAMOK in Ukrainian 27 Aug 94 p 1

[Report by Serhiy Kublykov: "Sixteen 'Rambos' Have Landed in Sknylov"]

[Text] The visit by U.S. military officials became possible due to our cooperation with NATO within the framework of the "Partnership for Peace" program.

A large gray-and-green rotary-wing bird landed heavily at one of our military airfields. According to Lieutenant Colonel Volodymyr Elenyov, Air Mobile Forces officer within the Transcarpathian Military District, this type of U.S. aircraft has not only never landed on Ukrainian territory, but never on the territory of the former USSR as well. The large Si-130 "Hercules" place brought 16 rangers from the NATO airbase in Stuttgart. Fourteen technicians for training paratroopers have also arrived.

What are the goals of this NATO air attack on Ukrainian soil? According to U.S. Air Force Lt. Col. Dave Memaux, the key task of broad-shouldered NATO soldiers is to teach Ukrainian paratroopers to handle parachutes used by NATO troops. The main task is to teach them to jump from "Hercules" planes. Our paratroopers—they have been specially selected from the Khyriv Air Mobile unit—have never jumped from such planes. The height of jumps from "Hercules" is 300 meters less than from our planes.

The training by the NATO Rambos will last for one week. In September, however, Ukrainian paratroopers are going to participate in joint Ukrainian-U.S. military exercises in the United States. Our servicemen will use their newly acquired skills overseas by jumping from "Hercules" with U.S. parachutes.

According to Major Volodymyr Ivanov, senior officer of the Air Mobile Forces, Ukrainian servicemen will continue cooperating with their U.S. military counterparts. This time it will be a test of their training. A second group of rangers will arrive in Zhitomir to train local Ukrainian paratroopers for upcoming exercises in the Netherlands.

Joint Naval Exercises Held on Black Sea

LD0609204894 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 6 Sep 94

[Text] The press center of Ukraine's Naval Forces has reported that combat ships from Ukraine, France, and Romania held a joint exercise in the northwestern part of the Black Sea. Ukrainian escort ship Hetman Sahaydachnyy, French frigate Premier Maitre l'Her, and Romanian minesweeper Sub Lieutenant Alexandru Axente, which had been taking part in the festivities on the occasion of Odessa's 200th anniversary the day before, were mastering joint cruising in a formation and providing help to those who suffer shipwreck.

Yuriy Shalyk, leader of the trilateral exercise and first deputy chief of staff of Ukraine's Naval Forces, pointed out the crews' coordination and efficiency in performing complicated maneuvers.

Crimea Appoints Representative to Germany

LD0609201294 Kiev UNIAN in Ukrainian 1550 GMT 6 Sep 94

[Text] Simferopol—A decree of the president of the Republic of Crimea was publicized on 6 September on the appointment of the head of the permanent representation of the Republic of Crimea in the Federal Republic of Germany. In accordance with this decree and according to the agreement between the Federal Republic of Germany and the Republic of Crimea on trade, economic and cultural cooperation dated 23 August 1994, Yuriy Dvedenidov has been appointed head of the representation.

In total 34 people are employed by the representation. The total amount of official salaries is 287,000 rubles per month. The salary of the representation's head is 55,000 rubles per month.

Ukraine, Sweden To Expand Cooperation

LD0209194594 Moscow ITAR-TASS in English 1906 GMT 2 Sep 94

[By UKRINFORM—TASS]

[Text] Kiev September 2 TASS—Ukraine and Sweden are expanding all-round cooperation. The recently opened Ukrainian diplomatic representation in Stockholm bears a testimony to priority attached to an all-round deepening of activities in this direction.

During bilateral consultations, recently held in the Swedish capital, on the agenda of the 49th session of the U.N. General Assembly, Ukraine and Sweden exchanged views on a wide range of issues, including reforms in the Security Council, monitoring armament and disarmament and the protection of rights of ethnic minorities.

Special attention was paid to questions of the world community's participation in the elimination of the Chernobyl nuclear disaster consequences and U.N. peacekeeping activities in regional conflicts.

In particular, the Swedish side displayed its desire to train Ukrainian personnel for U.N. peacekeeping operations.

Ministry Briefing on Australia Visit Reported

LD0709090094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 6 Sep 94

[Text] At a Ukrainian Foreign Ministry briefing journalists were familiarized in detail with the results of the official visit to Australia by a delegation of Ukrainian government experts led by Deputy Foreign Minister Oleksandr Makarenko. I would like to remind you that this visit took place 29 August-1 September. This visit was became the concluding stage of our delegation's tour of the countries of South-East Asia and the Pacific region.

The delegation held numerous meetings and negotiations at governmental institutions, in parliament and with business circles in Australia's capital, Canberra, and in Sydney. The agenda of the talks included issues of Ukrainian-Australian cooperation in political, trade, economic, and humanitarian spheres, the creation and expansion of a legal and contractual basis of bilateral relations, issues of Ukraine's and Australia's participation in solving world problems such as disarmament and nuclear weapons nonproliferation, energy supply, formation of a new economic order, and so on. In other words, Australia is interested in all-round contacts with the Ukrainian state. Here is what the delegation's head, Deputy Foreign Minister Oleksandr Makarenko, said at the briefing:

[Begin Makarenko recording] The results of this visit are undoubtedly positive. There is great interest in Australian government circles and businessmen in establishing mutual economic cooperation and expanding political cooperation with Ukraine.

As far as our purely political interests are concerned, we were discussing possibilities of a closer cooperation in international organizations, above all, at the United Nations Organization. Possibilities of holding preliminary consultations before the beginning of the UN General Assembly session, possibilities of meetings between the foreign ministers of Ukraine and Australia during the work of the session were discussed.

As far as concerns Australia's parliament and a meeting with the president of the Senate, you know that last year our parliamentary delegation paid a visit to Australia and it is expected that an Australian parliamentary delegation will pay an official visit to Ukraine next year. It will probably be led by the president of the Senate. [end recording]

Concerning the economic cooperation, I think that the project of building a Ukrainian-Australian cosmodrome could take on quite a clear shape provided there is mutual interest. At the briefing Oleksandr Makarenko said the following about this:

[Begin Makarenko recording] The possibility of aerospace cooperation was also discussed. Once there was a Soviet-Australian project to build a cosmodrome on the territory of Australia. Generally speaking, everyone who is engaged in astronautics dreams of having a cosmodrome as close to the equator as possible, because this is the most economical way of launching into orbit rockets and satellites. However, negotiations on this subject were blocked by the Americans who, undoubtedly, did not want the USSR's presence in that region. Today, according to the Australian foreign minister, this is a bilateral issue between Australia and Ukraine, and he expressed interest in getting back to this issue and reviewing it.

The problem is that of financing. The construction of a cosmodrome costs quite a lot, several billion dollars. It means that on our side we must prepare a very solid substantiation of a possibility of paying this money back at the expense of a commercial launch of satellites for the third countries. [end recording]

Ukraine's interest in Australia is not confined merely to the aerospace field. The deputy foreign minister confirmed this at the briefing:

[Begin Makarenko recording] There is a large bauxite deposit in Australia. You know that our alumina plant in Nikolayev also needs raw material. So, there is a possibility of receiving bauxites from there. There is a possibility of receiving cathode copper which our industry utterly requires, chrome ore concentrate, nickel and other minerals. By the way, Australia has a rich enough experience of mining kimberlite. They extract natural diamonds. You know that something has been prospected here, so in future we shall probably cooperate along this trend as well.

Australia is also one of the gold-mining countries with a rather large annual output of gold. In other words, there is a possibility of using their expertise in this field as well.

Then, there is one more, interesting, in my opinion, possibility. You know that Australia extracts coal and exports it to Western Europe. You can imagine how much the transportation of this coal costs. Despite this, European countries do buy this coal. I proposed that they consider making investments in the development of the coal industry in Ukraine and setting up several joint mines in Donbass. You know that Ukraine does have coal. But over the past 25 years not a single mine has been built because no investments whatsoever were made in the development of Ukraine's coal industry. At that time the money was channelled to Kuzbass and other regions where coal was cheaper. However today, in connection with the transition to the world tariffs on the delivery of this coal by railways, I think the Russians will have difficulty exporting it because transportation expenses are very high.

I asked them: Why should Australia sell, deliver Australian coal to Europe if they could have Australian coal in Ukraine and sell it, if joint ventures are set up? This will undoubtedly meet our interests because the construction of new mines is, firstly, a very time-consuming and, secondly, a money-consuming process. It means that large sums are required which the state does not have today.

In my opinion, Australia showed interest in this issue. If something comes out of it, it will be very good. [end recording]

At the briefing Deputy Foreign Minister Oleksandr Makarenko also dwelled on his meetings with the Ukrainians living on the Australian continent. Although there is no official Ukrainian embassy in Australia so far, it will be there without fail, Mr. Makarenko said. Personally he viewed several houses, one of which is suitable to house the embassy. Money is required to buy this building. Australian Ukrainians decided to collect the required sum.

And here is one more detail about this visit. As Oleksandr Makarenko pointed out, the visit by the Ukrainian delegation to Australia was held to the highest possible standard, in many ways thanks to Ukraine's Honorary Consul in that state, Mrs. Nina Botte, who deserves top marks for the job she did.

National Affairs

Kuchma Favors Signing Constitutional Agreement

LD0609183494 Moscow ITAR-TASS in English 1356 GMT 6 Sep 94

[By UKRINFORM correspondent Sergey Balykov for TASS]

[Text] Kiev 6 Sep—"One should not hope for cloudless relations between the Ukrainian legislative and executive power branches, but we are not at war and will not allow it," Ukrainian President Leonid Kuchma told a Ukrainian parliament meeting here today.

The closed-door meeting lasted for almost two hours. The presidential press secretary told correspondents that Kuchma urged parliament members to act in unison in order to overcome major social-economic problems. He suggested to sign a constitutional agreement between the power branches before the adoption of a new Ukrainian Constitution. The president stressed he will not allow violations of the Constitution being the guarantor of the fundamental law.

As for government changes, Kuchma said he was against the Cabinet formation before presidential elections. So far the president has not used the 10 percent the press gave him for personnel changes. Kuchma stressed he values high the qualities of Vitaliy Masol but government changes aim at order necessary for the reforms and control over the situation.

Parliament To Approve Laws on Economic Reform

LD0209174294 Moscow INTERFAX in English 1403 GMT 2 Sep 94

[Text] The Ukrainian parliament is soon to approve a package of laws aimed at speeding up economic reforms and creating favorable conditions for producers and investors, Ukrainian Parliament Chairman Oleksandr Moroz said during his meeting with President of the Austrian Economics Chamber Leopold Madertaner in Kiev today.

The press service of the Ukrainian parliament told Interfax-Ukraine that Moroz and Madertaner had discussed expanding trade and economic relations between Ukraine and Austria. Both parties said they are interested in broadening cooperation.

At the same time, representatives of the Austrian Economics Chamber said Ukrainian legislation has room for improvement, in particular as regards investment protection.

Moroz stressed that Ukraine finds the experience of the Austrian economy, which is focused on social needs, useful. He voiced hope that Austria will back Ukraine in efforts to join GATT.

Commission Head Views Privatization

WS0609131594 Kiev HOLOS UKRAYINY in Ukrainian 30 Aug 94 p 3

[Interview with Oleh Taranov, chairman of the Supreme Council Commission for Issues of Economic Policy and Management of the National Economy, by unidentified correspondent; place and date not given: "Once Again About Privatization"]

[Text] [Correspondent] The process of privatization in Ukraine is not as fast as it is in Russia, and it is the target of much criticism. Practically all parliamentary deputies voiced dissatisfaction with it in their election platforms. The stumbling block for all of them is the question of how to privatize state property. However, another question arises here: Should this property be privatized at all?

[Taranov] I would not regard the process of privatization in isolation from the problems of economic development. Our economy used to be a heavily centralized system and was efficiently developing from the mid-1930's to mid-1950's precisely because it was based on a principle of undivided authority, strict dictates, and monopolies. Later, a period of inefficient development followed, with an ever-increasing amount of resources, whether financial, material, or labor, spent to produce a unit of production. This corroborates a widely known truism that diverse and flexible links make a stronger system than uniform and rigid links. As a shining example of this provided by nature, clumsy mammoths adapted poorly to the environment and died out. In construction, shroud-technology skyscrapers are sturdier than those built using block technology. Finally, the Eiffel Tower is a good example of viability.

Let me repeat it again, within a certain period, monopoly regarded as a basic element of our economic development used to bear fruit—which has now proven quite bitter, though. Monopolism has many consequences, including a rapacious attitude toward nature, lack of incentives (except for slogans) to use resources sparingly, and disrespect for consumers. They can disagree: Discipline regarding meeting deadlines and production plans was a lot higher in the past. Those who insulted and cheated in the stores were so severely punished that not many people felt like following their example.

However, simultaneously with our system, a different system of economic relations was developing—even though it took a long time and was painful. But at least its development did not claim as many people's lives. Under this system, it did not pay to cheat consumers or the state. On the other hand, launching high-quality products on a market which consumed less and less resources brought generous rewards. It also should be noted that monopolies do not fit into this kind of system. Therefore, states with market economies were forced to apply strict measures, laws, and sanctions to monopolists, making their existence economically and legally impossible.

Hence, the task for our economy is to promote diverse types of ownership—and managers, too—and establish certain rules for their relations which would suit everyone except for entities violating those rules. So, privatization is vital for creating economic diversity and removing the monopoly of one owner.

But this is only one facet of the entire problem. As was previously said, our economy exhausted resources for its development in the 1960's: The growth of productivity stopped, production efficiency declined, which affected all of its indicators ranging from the yield of capital investments to profitability of production. Realizing the consequences of those negative trends, we attempted to conduct economic reforms. It should be said that the so-called Kosygin [former USSR prime minister] reforms were a large-scale and detailed measure designed to provide a strong boost to the economy. The reform's core consisted of plans to promote more economic independence and create incentives for enterprises to have a better final product in all industries with the help of macroeconomics management tools, as well as to make every worker more interested in their work through a widely developed system of bonuses, collective accountability, etc. That reform, however, failed to produce the expected results. The reason was the state's economic monopoly that was left intact, as well as the lack of a social group of owners—in other words, the mentality of temporary people who want to eat and drink everything away today without thinking about tomorrow. Of course, the economic problems were not resolved all by themselves; instead, they were slowly building up. This has brought about the structural crisis instigated by the monopolist state and the disruption of inefficient and rigid links among manufacturers—also caused by the state—which proved a tragedy for large industrial enterprises.

So, privatization is also necessary to create a group of owners, to send their money to work for the national economy, and make people interested in developing and improving production.

The currently valid Law on Enterprises, adopted in late 1991, allowed managers of state-owned enterprises to dispose of state property at their own discretion without any responsibility to suppliers or the state. There is no reason to even think whether or not it was efficient—the most important thing is that the state was left without tools to manage its property.

In this case, privatization is a powerful stimulus instilling a good attitude on the part of the owner toward his property, and ensuring normal property relations with absolute responsibility.

There are different enterprises and industries, unprofitable for various reasons, for which the state has no funds to subsidize (well, except for printing more money). The state would be better off selling such enterprises and take the burden of their problems off its shoulders. Curiously, in our country, such unprofitable or low-profit sectors include commerce, public catering, consumer services—enterprises and industries that are a source of steady profits throughout the world. Plus, it is a lie when someone says that they have no demand for their products and services. There is no demand for shoddy products and services, when the monopoly pushes prices sky high. This is yet another reason why we need privatization.

To sum up, as one of the conditions for establishing a diverse and flexible economy with different types of ownership, privatization is absolutely necessary. We must build this kind of economy very urgently. I am convinced that a delay with reforms in our country carries a threat of poverty and social upheavals resulting in either a turn back to totalitarianism or Ukraine's becoming a colony of highly developed states.

[Correspondent] You advocate reforms and privatization. However, the Ukrainian Supreme Council commission that you lead submitted a resolution on improving privatization in our country that is regarded by many as a moratorium on this process. How can you explain this?

[Taranov] The process of privatization in Ukraine is far from progressing smoothly. The concept of privatization and the laws that govern it are different from privatization legislation in other countries. While analyzing those differences, I should say that this is a painful process that inevitably produces a lot of complaints. In our country, fundamental principles ensuring its success were violated:

1. Mixed attitudes of legislators themselves toward privatization;
2. Lack of political resolve and readiness for hard and practical work among ranking representatives of the executive branch and their colleagues in the countryside;
3. The concept, purpose, and goals of privatization are vaguely defined;
4. Closed doors to foreign investments;
5. Lack of incentives for most managers;
6. Tangled rules specifying the participation of people in privatization, as well as clumsy and weak promotion campaigns and lack of a proper degree of openness.

Work on privatization has been conducted for two years, and it is a natural thing that necessary corrections and changes should be introduced to the current laws and normative acts after the initial results of their encounter with reality. It would not be right to perpetuate mistakes and shortcomings detected during that process. No one in their right mind would agree with the present process that is going on in isolation from its economic purpose, without a final goal, and to benefit a narrow circle of individuals. That the privatization in Ukraine is not fast is both good and bad news at the same time. The bad news is that we failed to forge a critical mass of owners seeking the acceleration of reforms and who are interested both in political and economic stability. The good news is that we need the economic explanation of the privatization of state-owned enterprises, a prognosis of post-privatization processes, and, most importantly, the study of possibilities for introducing tax breaks and other benefits allowing new owners to survive and progress. This would also provide mechanisms protecting citizens from any possibly negative consequences of privatization.

The mixed attitude of deputies at all levels toward privatization can be explained by the fact that they are representatives of all social groups of our society, which is extremely diverse—both in sociological and economic terms. The only remedy here is that legislators should be professionals, or at least strive to become ones. I believe that the present parliament is striving to be professional.

The popularly elected president has repeatedly declared his strong commitment to reforms. His resolve to centralize the executive branch and his interest in economic development offer a good chance for success.

The concept, purpose, and goals of privatization have been determined, if only at the cost of mistakes. They have in part answered your first question. A range of perceptions have been reflected in the resolution of the Supreme Council. They include provisions requiring to funnel funds gained from privatization of state property to finance priority industries and creating more jobs, instead of using them to patch gaps in the state budget; to carry out privatization in compliance with the general programs of market transformations; to conduct a mandatory auditing of the enterprises under privatization; to revise procedures for participation of foreign investors in privatization; and to ensure control, openness, and the protection of rights of citizens and the state during the process of privatization.

The problem of systematic approach deserves a separate discussion. Privatization has been launched. It is being carried out as a separate measure and without a system of economic management—in other words, a system of laws and regulations which would correspond with the presence of many types of ownership. In the past, whether bad or good, we had a coherent system, all the elements of which (executive, legislative, and judiciary powers, as well as laws and normative documents) were specifically adjusted and somehow functioned, if only not very efficiently. Now, we have started to tear some elements out of this system and replace them with new ones that, despite their higher quality, do not fit into the old concept of economic management. So, as should have been expected, the system does not work. We need to create a new system and change all of its elements, laying a legal groundwork adequate to the tasks looming ahead, determining principles of relations among the branches of power, and craft norms and rules for all economic entities and citizens. Only this, and not privatization taken separately, is a fundamental condition for all transformations in our country and the chief task for all branches of power.

I would like to note that the president, the Cabinet of Ministers, and the Ukrainian Supreme Council are ready to jointly draft laws and normative acts and broadly cooperate on all major issues concerning the country's reformation, which in my opinion, is the precondition for Ukraine's successful development.

Other reasons why privatization has so far been a failure are closely connected with the mechanism of its implementation and depend on adjustments and changes that will soon be introduced to privatization laws and normative acts.

[Correspondent] We receive a lot of questions as to whether privatization has been halted until changes to the present legislation are made, and whether citizens can still participate in privatization?

[Taranov] To answer this question, which is asked not only by individuals, but also by entire working teams, the institutions in charge of privatization and the Supreme Council Commission for Issues of Economic Policy and Management of the National Economy came up with a written explanation as to the procedures for implementing privatization in connection with Supreme Council resolution No. 149/94-VR, adopted on 29 July 1994, "On Improving the Mechanisms of Privatization in Ukraine and Stepping Up Control Over its Implementation." Among others, it said that the signing of sell-and-buy agreements, as well as the lease and buy-out agreements [dohovory orendy z vykupom], was stopped regarding state-owned enterprises of national importance from such industries as the fuel and energy complex; mining (except for mining construction materials); railroad, sea, pipeline, and automobile transportation; electronic means of communications; and metallurgy. This decision will remain valid until the Supreme Council approves a list of enterprises that cannot be subject to privatization. Within this period, however, the State Property Fund and its bodies, according to the present law, are to carry out all work connected with the privatization of the above enterprises. This means they will receive privatization requests, set up privatization commissions, conduct inventories, estimate the value of enterprises' property, and prepare privatization plans. As the implementation of the above tasks is lengthy and may last for two to three months, you can see that there can be no talk about any suspension of privatization.

Besides, we have not suspended privatization of enterprises with municipal property, except for signing agreements regarding selling and buying enterprises from the non-production sphere that are privatized through a buy-out lease [orenda z vykupom].

I believe that this explanation will put an end to all the stories about the suspension of privatization, and has exhaustively described the attitude of the Commission for Reforms in Ukraine toward privatization.

Rukh Official Criticizes Moroz for 'Meddling'

LD0209183994 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 2 Sep 94

[Text] Oleksandr Moroz is demonstrating constant meddling in his wielding of executive power and his desire to perform the functions of a party general secretary. That is how Oleksandr Lavrynovych, first deputy chairman of the People's Movement of Ukraine [Rukh] and people's deputy, assesses the activities of the Ukrainian Supreme Council chairman in a statement circulated on Thursday.

Having found himself in a high post, Oleksandr Moroz is trying to act as a state and party leader, Lavrynovych emphasized.

Security Service Denies 'Political Opportunism'

LD0209163394 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 2 Sep 94

[Text] The Security Service has repeatedly offered clarifications on the subject of providing information for the state's top echelons of power and leadership and set out its position of principle on this issue. It is based on unconditionally complying with the requirements of Article 24 of the Law on Security Service of Ukraine.

Some of the mass media, however, are once again carrying reports either asserting or implying that, in establishing channels or dealing with questions of providing information for authorities, the leadership of Security Service is governed by political opportunism or considerations of the rank of an official implicated by this information in unlawful actions.

These allegations are absolutely groundless, particularly so where cases of blatant violations of Ukrainian laws are concerned. State authorities and the leadership, in particular, are systematically informed about aspects of the development of negative processes in the economy and the fight against organized crime and corruption in the economic management sphere. There were over 500 of these reports in 1992-94.

In 900 criminal cases, members of staff of Ukraine's Security Service arrested and prosecuted over 400 individuals, 110 of whom were officials, with former senior officials from the External Economic Relations Ministry, former MinLehProm [Light Industry Ministry], State Material Resources Committee, Economy Ministry, State Customs Committee, and Internal Affairs Ministry etc. among them.

The Ukrainian leadership is also regularly informed about attempts by separate state structures and foreign businessmen to lure the state or its businesses into risky credit or other financial operations. The losses from the cases uncovered have come to 6 billion dollars.

As an example, one can recall the agreement between Donetsk's UkrInBank and the German firm (Tamco Consulting) on the transfer to the German partner of an $850 million credit. The procuracy has instituted criminal proceedings on the basis of the fact of actions in breach of Ukrainian laws in the course of the preparation of this dubious scheme initiated by some representatives of the Donetsk Oblast state administration and foreign financial circles.

Also, the documents obtained on the agreement between UkrInValyutTorh [Ukraine Foreign Currency Trade Association] and the Greek firm (Ukvar Petroleum) Ltd. for the purchase in Ukraine of 200,000 tonnes of aviation fuel, were passed to Ukraine's procuracy-general in May of this year.

These and other examples that can be made public if needed, definitively demonstrate that the Security Service of Ukraine is solely governed in its activity by the requirements of the Ukrainian laws in force, rather than by political opportunism or search for sensationalism.

Country's Largest Coal Mine To Strike 8 Sep

LD0609195194 Moscow INTERFAX in English 1544 GMT 6 Sep 94

[Text] Ukraine's largest coal mine plans to go on strike on September 8.

The members of the Independent Miners' Union working at the Stakhanov Mine in Donetsk Region will be demanding to be paid their overdue wages, union officer Mikhail Volynets said. Most of the workers have not been paid for June and July, but some have not even received their money for May, Volynets told Interfax-Ukraine.

Of the mine's total work force of 8,500 about 7,300 are union members, Volynets said.

Union Leader: Donbass 'Calm Before the Storm'

WS0609095294 Donetsk ZHIZN in Russian 17 Aug 94 pp 1,3

[Interview with Mykola Volynko, chairman of the Independent Miners Trade Union Executive Committee, by Nataliya Birchakova; place and date not given: "For What Did We Fight?"]

[Text] [Birchakova] One often hears that the miners strikes in summer 1989 served to destroy the Soviet

Union, and put an end to the stagnant prosperity, remembered by many with nostalgia.

[Volynko] If you are referring to the notorious Article 6 of the Constitution [on the Communist Party's leading role in governing], or the existence of party committees in enterprises—yes, we destroyed that. However, if you mean the economic chaos or interethnic animosities to which the power-thirsty politicians had lead the state, what do miners have in common with that? People tend to forget that along with the economic demand for higher wages, we always put forward slogans that are common to all citizens and people. The "economic" strike of 1989 was an act of political protest. Today, miners are often reproached for using the strikes to win high salaries, various benefits, and the world's longest vacation lasting two months. People forget, however, that our miners have the toughest labor conditions in the world and that the long vacation was granted to us not for the sake of populism, but due to the unbiased recommendations and conclusions of medical experts.

Last summer, we primarily put forward demands common to all citizens—on the need to review the status of Donbass, the ecological situation in the region, the introduction of regional differentials. The clause dealing with wages was listed as No. 17. Our opponents, however, jumped on this provision to cause a quarrel between us and the other workers.

We have recently felt that the public was being prepared to put up with the plan to strike a blow to miners—those who can still stand up and resist.

[Birchakova] What do you mean?

[Volynko] Take the atmosphere of the recent conference held in Donetsk by members of the government commission for stabilizing the work of the industry, headed by Deputy Prime Minister Dyuba, and attended by "mining generals" and mine managers. There were open statements to the effect that miners are to blame for everything, that they are unruly, lazy, undisciplined, and stubborn. There were suggestions to restore the "disciplinary statute" abolished by 1989 strikes. This is an unmasked attack on human rights. Attempts are being made to destroy all instances of dissidence among miners. The system against which we have fought, is still alive.

Since 1989, we have been talking about improving the system of wages. Miners should earn and not "be paid."

Some 2,000 of our most valuable specialists have left the mines over recent months because of low wages.

As a result of such "policies," the coal industry may simply cease to exist in a couple of months.

We are being pushed toward a flare-up. If the issue of debts is not resolved, if order is not restored in finance, somebody may start breaking windows tomorrow. If wages are constantly paid with a delay, we will be unable to think of anything else—we have been driven into a deadlock by wages.

[Birchakova] It seems that the situation has never been so dramatic. Still, there are no rallies, no protest actions. Even the humiliating wage, which is 150 percent lower than the consumer basket, is quietly accepted by miners.

[Volynko] This is the calm before the storm. Strikes often flare up in mines. In recent weeks, there have been incidents in four mines run by the Donetskvuhillya [Donetsk coal] amalgamation. These actions are meticulously planned by destructive forces—nationalists and communists. Someone badly needs a social eruption to have the chance to annihilate all organized forces capable of resistance.

[Birchakova] Thus, strike committees and the Independent Miners Union, instead of staging strikes, are currently playing the role of a nurse soothing dissatisfied miners?

[Volynko] We are not what we were in 1989. We are not as naive. We are well aware of the power of our opponents. The system against which we used to fight still exists.

The administration realizes that to distract people's attention from the commotion in the highest echelons of the current sad economic situation, something serious and extraordinary has to take place, perhaps bloodshed. There are two probable scenarios: Either miners will be pacified or a scapegoat will be chosen and handed over to the mob. In light of the situation with former Acting Prime Minister Zvyahilskyy and appeals for strikes voiced by certain ardent "revolutionaries," the government seems to have bet on both hands. That is why we are restraining mines from anarchic actions. It is the administration that wants a bloodbath.

[Birchakova] Do you admit the possibility of such scenarios?

[Volynko] I do. Do you remember August 1991 or October 1993? To be firmly established, the administration needs blood. We must join all our efforts to prevent this.

[Birchakova] The workers' movement is five years old, however it still lacks a distinct vertical structure. Irreconcilable confrontation with communists still remains. The latter, being a "workers' party," resembles a captain without a crew. Have there been any signs of understanding with them?

[Volynko] For some reason, everybody would like the workers' movement to be transformed into a party. Then, everything will become quiet again. Any party, formed on the backbone of a workers' movement, will be still-born. We are only five years old. When we are sufficiently strong, we will arrive at our own party, without any aliens.

Lugansk Expolosion Kills 24 Miners 3 Sep

LD0409183194 Moscow ITAR-TASS in English 0938 GMT 4 Sep 94

[By ITAR-TASS correspondent Lyudmila Gordeyeva]

[Text] Lugansk (Ukraine) September 4 TASS—An explosion which took place at the Slavyanoserbskaya colliery of the Luganskugol Production Amalgamation on September 3 at noon, took the lives of 24 miners.

An explosion of dust when workers were making forced caving at the second eastern longwall of the mine, was supposedly the reason for the tragedy, ITAR-TASS learnt at the Donetsk Regional Administration for Labour Safety Inspection.

A government commission led by Ukrainian Vice-Premier Anatoliy Dyuba which arrived in Lugansk on Sunday, will find out the real reason for the explosion.

Opposition Between Miners, Lugansk Administration

WS0609135194 Lvov POST-POSTUP in Ukrainian 25-31 Aug 94 p A4

[Report by Yuriy Yurov: "Dig for Saboteurs, Shura. A New Shakhty Case Is Looming in Lugansk Oblast"]

[Text] **Some 66 years ago, in the summer of 1928, the Shakhty trial was completed. The repercussions of the trial were felt far beyond the small Donbass settlement and, in fact, opened the era of "big terror" in the 1930's. However, the statements by Lugansk Oblast Council Chairman Petro Kupin, first secretary of the Communist Party of Ukraine [KPU] Oblast Committee, used in his first postelection report to depict the situation in the oblast's coal industry, seem to be copied from the newspapers of those days: "The situation in the oblast's mines is uneasy: There are provocative acts of sabotage and appeals to destroy and steal equipment, timber, and other state property."**

After picturing the disastrous situation in the economy and the oblast's social sector, the governor then named those guilty—numerous profiteers, the leadership of the oblast's industrial cities, which continues to sell state property, and... independent miners trade unions. Liberal mayors deserve a separate discussion. However, the fact that "the proletariat's most advanced group" [trade unions] was entered on the list of "people's enemies" alongside alien class elements, is very significant. The democratic movement in Donbass was initiated by the miners' strikes in 1989; powerful eruptions in mining areas preceded the disruption of the USSR in 1991; the strikes of 1993 removed from power the conservative city councils in Pervomaysk and Krasnodon. Today, miners represent the force greatly feared by the "new left" in the Lugansk leadership. That is why the Kupin team has grounds to anticipate a new wave of strikes. The point is that, aside from restoring the [centralized] planning and administering of the economy, the communists promise to ration bread in September. The miners will hardly welcome either measure.

That is why the "red governor" has stakes in repressive measures, although so far, he can only brandish the verbal whip. Power structures have been removed from under his subordination, and he is facing opposition on the part of the leadership of those industrial cities, in which the primary production and human resources of Lugansk Oblast are concentrated. Neither the directors' corps nor most apparatchiks treat "little Pete" seriously. The Lugansk KPU branch, indeed, has some sort of "workers' militia" and Don Cossacks sympathize the "new left," too. They do not, however, have a fraction of the influence enjoyed by the "party of hungry stomachs." Mr. Savyuk, chairman of the Regional Council of Miners' Staffs, predicts that a general strike may break out as early as this fall, accompanied by a social flare-up and, possibly, human casualties. The first thunderbolts have already struck.

When this issue of POST-POSTUP was being prepared for publication, miners from the Pervomayskvuhillya amalgamation declared a warning strike. Their claims were merely social—the miners have not been paid since June. Delegations from all the mines held a rally in front of the Oblast Council and forced a meeting with the oblast leadership. According to Serhiy Halyautdinov, leader of the Pervomaysk Independent Miners Trade Union, the workers' charges are directed against the Lugansk administration, given that local enterprises are the miners' primary debtors. The number one debtor is the Lugansk coal upgrading amalgamation, which owes 45 billion karbovantsi [K] to the mines. Serhiy Halyautdinov added that the administration (the Lugansk Oblast Council) had again demonstrated its inability to control the situation.

The miners remained dissatisfied with the results of the talks, because Kupin's administration only offered them K10 billion, which does not even cover the debt for June, while the aggregate monthly salary of miners amounts to K33 billion. That is why the demonstrators returned to their mines on 23 August, threatening to stage a hunger strike outside the Oblast Council office on 26 August. The strikers committee of the Pervomayskvuhillya amalgamation appealed to all Lugansk miners to join their fight.

Meshkov Received Poorly at Communist Rally

AU0309160694 Kiev HOLOS UKRAYINY in Ukrainian 31 Aug 94 p 8

[Report by Oleksandr Pilat from the Crimean Republic: "Communists Criticize Yu. Meshkov"]

[Text] A sanctioned rally organized by the Crimean Communist Party, a constituent part of the Ukrainian Communist Party, was held in Simferopol. There were very few people at the rally, but it was attended by former members of the Ukrainian Communist Party Crimean Oblast Committee—Trofim Chemodurov, former chairman of the Oblast Committee; Mikhail Tishin, former secretary of the party Oblast Committee; and others. During the rally, young pioneers of Simferopol High School No. 7 stood guard of honor near the Lenin monument.

Opening the rally, Leonid Grach, first secretary of the Crimean Communist Party, called to put on trial those "who have left our country to the mercy of Gorbachevs, Yeltsins, Kravchuks, and Shushkeviches" and said that "it is necessary to have the CPSU restored." The participants in the rally called upon communists of the peninsula "to struggle for the resignation of the Crimean Republic's antipopolar 'Moscow' government headed by Yevgeniy Saburov."

All of a sudden, Crimean President Yuriy Meshkov appeared at the rally. His presence and speech were extremely negatively responded to by the communists. Meshkov said that the raising of bread prices was "a forced measure, because Ukraine cannot provide the necessary funds for restoring the Crimean economy." Regarding the resignation of the Saburov government, Meshkov pointed out: "The struggle for power is in progress—this is normal." Then Yu. Meshkov said that "the winter in the Crimea will be extremely difficult and that there will be no normal living conditions."

Saburov Warns of Possible Government Resignation

LD0609170494 Kiev UNIAR in Ukrainian 1115 GMT 6 Sep 94

[Text] Sevastopol, 6 Sep—Yevhen Saburov, deputy prime minister of the Crimean government, said in an interview in the KRYMSKAYA GAZETA newspaper that in his view, the political struggle on the peninsula had reached its peak. This is particularly evident in that at present, deputies of Crimea's Supreme Council are sharply criticizing the president and the government of Crimea. Saburov, who did not exclude the possibility of the Crimean government resigning soon, stressed that such a step "would be the death of the deputy prime minister and other members of the government," however the resignation issue should be resolved exclusively by the Crimean people. Saburov considered that the groundless assertions concerning the inactivity of the Crimean government were caused particularly by the fact that the Crimean Supreme Council had denied the government access to the mass media and at the same time had adopted "ill-considered populist decisions."

Crimean Speaker on Relations With Meshkov, Kiev

MK0609100094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Sep 94 p 3

[Report by Aleksandr Pilat in the "Crimea" column: "The President Wants More Than He Is Allowed to Have. A Press Conference by the Crimean Parliament Speaker"]

[Text] A press conference by Crimean parliament speaker Sergey Tsekov was held at the Crimean Supreme Soviet. He conducted himself in a restrained manner, diplomatically, and sought not to make sharp, black and white assessments of the confrontation that has emerged between the legislative and the executive branches.

The mass media have circulated a draft presidential edict purportedly prepared by Yuriy Meshkov on suspending the activity of the Crimean Supreme Soviet. In this connection Sergey Tsekov said: "Reports about the drafting of such an edict have been coming in to the Supreme Soviet from various sources for the past two weeks. We have been preparing for this. Even if the edict were adopted, there would be no chances whatsoever for its implementation. But this would result in an unfavorable situation and cause substantial damage primarily to Crimea's statehood."

Sergey Tsekov said that relations between the two structures of state power—the legislative and the executive—are complicated because "now the president says that parliament is demanding more powers than it is authorized to have." The speaker does not agree with this statement by Yuriy Meshkov. Sergey Tsekov expressed his regret over the fact that the Rossiya bloc, which has won the elections that brought both the president and parliament to power, has no representatives in the Crimean Republic's government and naturally cannot affect the activity of the executive branch. Tsekov, however, intends to meet with party leaders and find points of convergence, and he does not rule out the formation of a coalition government. The best possible option, according to Tsekov, is to have the Republic of Crimea as a parliamentary republic and also "that the president should be not the head of the executive branch but the head of state."

Sergey Tsekov considers the performance by the Crimean Supreme Soviet to be fair. Its weakness, according to him, is that the deputies lack experience and knowledge. As for strengths, he cited the creation of a parliamentary structure (five factions: Rossiya, Reform, Agrarians, the Republic, and the faction of the Crimean Tatar People's Kurultay). At the same time, the parliament speaker declined to assess the performance by the Crimean Republic's president and government.

Talking about his meetings in Crimea with Ukrainian President Leonid Kuchma and Supreme Soviet Chairman Oleksandr Moroz, Sergey Tsekov said that these meetings were informal and that "there was no flat rejection" on the part of Ukraine's leaders of treaty-based relations between Ukraine and the Republic of Crimea. Agreement was reached that the Republic of Crimea should participate in negotiations on the Black Sea Fleet and in concluding a large-scale Russia-Ukraine treaty, and also that the documents adopted should take into account the interests of the peninsula's residents and the Black Sea Fleet servicemen.

Meshkov's Presidential Team Criticized

LD0409124294 Kiev UNIAN in Ukrainian 0800 GMT 4 Sep 94

[Text] Sevastopol, 3 Sep—In an interview with Crimean radio, Viktor Mezhak, Crimean Supreme Council deputy chairman, said that normal cooperation between the president and parliament has been impeded by [Crimean President] Yuriy Meshkov's incorrect choice of the presidential team. Mezhak said: "I am surprised, for example, that he has not selected his team yet. He has given up his brothers-in-arms, friends, like-minded people, party comrades, those who led him to power. Instead, he has surrounded himself with officers and generals only".

However, Mezhak added, "the president was elected by the people of Crimea and that is why it is our duty to serve him." He believes the Crimean Supreme Council should "declare Meshkov to be not only at the head of executive power but also be the head of state, and create the post of deputy prime minister within the structure of the government, i.e. change course toward a presidential republic."

Parliament Examimes Cost of Presidency

AU0409142694 Kiev HOLOS UKRAYINY in Ukrainian 31 Aug 94 p 1

[Unattributed report: "How Much Is the President's Day?"]

[Text] The Presidium of the Crimean Supreme Council found the Crimean presidential edict on the Security Service and other legal acts that regulate the activity of that service as legally invalid. It was decided to suspend the financing of the [Security] Service and resolve the question of vacating 14 offices, presently occupied by it on the fourth floor of the parliament and Meshkov's administration building, and to submit the materials on the department's activity to the Crimean Republic's Procurator's Office "for taking appropriate measures."

As pointed out at the presidium meeting, this service is in fact endowed with functions of a state committee, something that is at variance with the Crimean Constitution and legislation. The members of the Presidium were unable to find out about the cost of maintaining the 90 people who guard the president: Some of the documents regulating the activity of the security service are "classified." However, data were quoted to the effect that in his trips within the Crimea, Yu. Meshkov is generally accompanied by an escort of five automobiles, and a single ride by the president to work costs 10 million karbovantsi.

While the Crimean people's deputies are trying to find out the cost of one day [in the life] of the president, Meshkov has invited Russian writer Aleksandr Solzhenitsyn to visit the peninsula. "Your visit will undoubtedly have a great political, cultural, moral, and psychological significance not only for the Crimea's Russian majority, but also for all our compatriots who have presently found themselves outside Russia," reads the invitation.

Leaders Comment on Sevastopol Council Resolution

WS0709102294 Kiev KIYEVSKIYE VEDOMOSTI in Russian 31 Aug 94 p 3

[Report by Tatyana Korobova: "Sevastopol City Council May Want To Become a 'Holy Synod'"]

[Text] **The reaction of representatives of Ukrainian authorities and political parties to the Sevastopol City Executive Committee's resolution granting Russian legal status to the city is already well known. Perhaps our readers would also like to learn about the opinions of several prominent Crimean politicians.**

Ukrainian Navy Commander Volodymyr Bezkorovaynyy: "If they had resolved that the Sevastopol City Council had been a holy synod and the man who chaired that meeting had been the pope, such a resolution would have had the same legal grounds as their resolution regarding the city's Russian status. This was an illegal resolution. I regret very much that this resolution was adopted, since it is aimed at breaking talks between Ukraine and Crimea. Instead of dealing with problems of the city's survival, the authorities are destabilizing the situation. If the city council should does not revise and annul this resolution, it will be annulled by the Ukrainian Supreme Council and accompanied by appropriate conclusions."

Crimean Supreme Council Chairman Serhiy Tsekov: "By trying to dodge the issue of Sevastopol, one leaves matters to take their own course, and this will produce no positive results. Sevastopol as a city directly subordinated to Ukraine is a joke—Ukraine will not be able to prove its right to Sevastopol, since de jure, Sevastopol remains Russian, which was confirmed by a resolution of the Russian Federation Supreme Soviet. Nevertheless, the main point is that even if the Sevastopol City Council resolution is not recognized by Russia and Ukraine, it will at least force both sides to reach an agreement on, for example, the Black Sea Fleet." Tsekov believes that coexistence of two fleets at one base is impossible and dangerous.

Oleksiy Melnyk, deputy chairman of the Crimean Supreme Council, is convinced that historical justice has been achieved, and that President Kuchma "understands that it will now be easier for him to resolve problems related to oil, gas, and the Black Sea Fleet." Sevastopol, Melnyk suggests, will now leave Ukraine and, having signed a treaty with Crimea, will allow Russia to increase its influence in Crimea. "Those who own Sevastopol also own Crimea." Melnyk believes that only "nationalists will raise a fuss, but Kuchma will not react to it. One can neglect Supreme Council Moroz, who harshly warned separatists," the Crimean deputy speaker thinks. "As always, this communist in power has no idea about the people's opinions."

Mykola Bahrov, former Crimean Supreme Council chairman, spitefully noted that Sevastopol is going to haul down the Ukrainian flag which it once hoisted in Crimea. Mykola Bahrov pointed to the fact that Oleksandr Moroz, while addressing a solemn meeting devoted to the Independence Day, repeatedly emphasized the principle of territorial integrity. Bahrov has no doubts that the latter's speech was coordinated with the Ukrainian president and thinks that the case will not advance beyond the Sevastopol City Council resolution. Russia does not need such headaches, and a treaty between Russia and Ukraine should bring an end to this issue. Captain First Rank Yuriy Tymoshchuk, chairman of the Sevastopol Civil Council—which was elected on 17 July at the Second Congress of Sevastopol Ukrainians—said that it is time to demand that the Ukrainian president dissolve the Sevastopol City Council. The council is ready to assume power in the city. Bahrov also noted that Kuchma must adhere to his electoral promises, in which he had supported Crimean independence, and if the Ukrainian authorities want to bring order in this issue, a decision to dissolve the city council will have to be made by the Supreme Council.

Crimea's Stance on Privatization Examined

WS0709120494 Simferopol GOLOS KRYMA in Russian 26 Aug 94 p 2 (tentative)

[Report by Valeriy Darg: "Privatization in Crimea"]

[Text] As world experience demonstrates, privatization is the key to a market economy. However, instead of using this key, Ukraine's legislative and executive authorities, represented by new people, have again become embroiled in unproductive polemics about a program for privatization. As a result, first the Crimean parliament and then the Ukrainian Supreme Council imposed a moratorium on privatization in the Republic. Ukrainian President Leonid Kuchma has criticized this decision by the Republic's Supreme Council. According to him, if market reforms are not continued, Western assistance will be halted. It is interesting that there has been no official reaction of the Crimean president to the suspension of the privatization process. Also intriguing is that Mr. Feliks Kaganovskiy, director of the Center for Economic Reforms and Investment-Credit Policy with the Crimean President, stands against quick privatization, unlike his colleague—Economy Minister Andrey Chernyavskiy. Polarized positions on this issue can be easily detected even within one branch of the authorities. In this regard, it is interesting how different sides assess the current situation. Let us first learn about the government's standpoint.

During the "Meeting With the Government" television program, asked by the moderator "what are the main disagreements regarding privatization between the Crimean Supreme Council, its presidium, and the government," Anatoliy Nikolskiy, Crimea's minister for agriculture and foodstuffs, replied as follows:

"Our opponents have several objections in this regard. First, we apparently should not deal with voucher privatization, but return to the ruble zone. This is a myth. It is impossible to do that in an economic way, and all the more so—in a volitional way. This is an opinion of one group of deputies. Another group supports private ownership of land in a hidden form. One of the presidential advisers is actively advocating this idea. Finally, a third group comprises those who propose to close the Crimean economy to foreign investments and redistribute the property inside Crimea. In this regard arises the question of who will be able to take possession over this property. The answer is simply classical—it will be a new Crimean bourgeoisie, which is formed, according to Marx, from the financial-trade bourgeoisie, as well as from the crime world—those who hold capital stocks. These people declare that they are patriots—that they are local residents—and since they currently have no opportunity to assume power, they are doing everything possible to overthrow "the Moscow government." Assuming the standpoint of "Crimean patriots" regarding closed privatization, the following question arises: What portion of the property will the average Crimean citizen be able to purchase in exchange for his ownership certificate, which could amount, for example to 1 million karbovanetses ($25)? This means that if we accepted closed privatization, we would have the highest social differentiation in terms of property. This is what it means for our people."

Economy Minister Andrey Chernyavskiy has a similar opinion on privatization. Moreover, he is convinced that privatization should be conducted as quickly as possible. Currently, his ministry is literally overwhelmed by industrial enterprise requests for privatization. Therefore, the Economy Ministry and the Ministry for Administrating State-Owned Enterprises have compiled a list of state-owned companies which should be privatized immediately after the moratorium is canceled. In addition to this list, municipal property can also be privatized.

As A. Chernyavskiy points out, talks with directors have confirmed that privatization is currently a very urgent and overdue question. Moreover, privatization is directly connected with the influx of investments. Many enterprises already have Russian, Ukrainian, or other foreign investors who are ready to put in their funds as soon as privatization is introduced. In general, the directors are satisfied with the plan envisioning the participation of foreign investors.

Regarding the government's plan for privatization, 80 percent of it was drafted by the former Crimean Council of Ministers. It takes into account the interests of company staffs, Crimean citizens, and the state. The only difference is that the current version suggests that privatization be conducted according to the Ukrainian program, since it is currently inexpedient to close Crimea to foreign investors. How is it explained? The Crimean economy was developing for dozens of years at the expense of the USSR budget, including Russia and Ukraine. Therefore, it would be irrational to deny "foreign" investors access to it. A significant difference between the Crimean and Ukrainian programs is that the former suggests to reduce the benefits of lease enterprises, taking into account the interests of workers from the budget sector and pensioners. The plan also rules out closed auctions, and a part of the property is to be sold at auctions in exchange for privatization vouchers. Additionally, having taken into account the negative experience of Russian privatization, the Agriculture and Foodstuffs Ministry has proposed a special scheme for enterprises from the processing industry: Some shares can be sold directly to producers who are interested in operating related processing companies.

Belarus

Belarus To Sign Partnership for Peace Program

LD0609191294 Moscow ITAR-TASS in English 1810 GMT 6 Sep 94

[By BELINFORM correspondent Aleksandr Lyushkevich for TASS]

[Text] Minsk 6 Sep (tass)—"I think that Byelarussia [Belarus] will sign the NATO's Partnership for Peace program this September," Byelarussian Foreign Minister Uladzimir Syanko told a news conference here today.

In his words, Byelarussia is one of the few European nations that have not joined the initiative. A reason for this is that the Byelarussian Government needed time to study all program aspects, including the financial plan. According to Syanko, the Republic so far does not to involve in military exercises envisaged by the document since it will require much spending. At the first stage Byelarussia will work to establish diverse contacts with foreign states.

Foreign Minister Holds Briefing on Plans

WS0609124294 Minsk BELAPAN in English 1200 GMT 6 Sep 94

[Text] On September 5, Belarusian Minister of Foreign Affairs Uladzimir Syanko met with journalists. He informed them of the directions of activities of the Belarusian foreign office within the next few months. It became known that in September, President of Belarus Alyaksandr Lukashenka would meet President of Ukraine Leonid Kuchma and President of Lithuania Algirdas Brazauskas. On September 13-14, at the invitation of Uladzimir Syanko, Belarus will be visited by the Lithuanian foreign minister to discuss the aspects of preparation of an interstate agreement between Belarus and Lithuania, as well as the agreement on the state border. Uladzimir Syanko had also invited the foreign ministers of Ukraine and Poland to visit Belarus.

According to Syanko, the Foreign Ministry is currently preparing for a session of the UN General Assembly, as well as for a CSCE session, which will be held in Budapest. The Belarusian delegation will be headed by President Alyaksandr Lukashenka.

Uladzimir Syanko pointed out that Belarus should seek close cooperation with international organizations, such as the United Nations and the European Union. According to him, in the near future the Belarusian foreign office will work intensively on the establishment of closer and more concrete relations with the neighboring countries.

Seeks Close Cooperation With Russia

LD0609160194 Moscow INTERFAX in English 1330 GMT 6 Sep 94

[Text] Belarus is determined to keep its sovereignty but at the same time closely cooperate with Russia, Belarusian Foreign Minister Uladzimir Syanko said.

"Belarus should base its relations with Russia on a new philosophy, the essence of which is that it is too late now to talk about a merger between Belarus and Russia or about the creation of a Slav union," Syanko said at a news conference in Minsk on Tuesday. "We will never give up our sovereignty, but in our relations with Russia we have no alternative other than the closest possible economic, political and military cooperation."

The minister said preparations had begun for a visit by Russian leaders to Belarus to sign a political treaty and several economic agreements. He said the most important among the economic accords were those on oil and gas imports from Russia and on the formation of several joint ventures.

"(The need to have) good-neighborly relations with Russia is an axiom, but Belarus has not yet used all its possibilities to establish harmonious relations with other states, primarily neighboring ones," Syanko continued. He said his ministry was shortly going "to make a detailed study of (the country's) relations with (its) neighbors." The foreign ministers of Ukraine, Lithuania and Poland will visit Minsk before the end of the year, he said.

Yeltsin, Chernomyrdin Visit 'Expected' 8 Sep

WS0709102794 Minsk BELAPAN in Belarusian 1800 GMT 6 Sep 94

[Text] Belarusian Foreign Minister Uladzimir Syanko met with Russian Ambassador Igor Saprykin on 6 September. This was the Russian ambassador's first meeting with the new head of the Belarusian Foreign Ministry. In the course of the conversation, various issues were discussed concerning preparations for a visit by Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin. The visit is expected to take place on 8 September. As a BELAPAN correspondent has been informed by the Russian Embassy, an expansive package of documents is being intensively prepared for signing during the Russian delegation's visit to Minsk. The documents include a draft agreement on friendship and cooperation between Belarus and Russia.

Kastenka, Russian Official Discuss Troop Withdrawal

WS0709102694 Minsk Radio Minsk Network in Belarusian 0700 GMT 7 Sep 94

[Text] A meeting of the leadership of the Belarusian and Russian Defense Ministries has taken place. Negotiations between ministers from both countries were primarily devoted to the withdrawal of Russian troops from our Republic. Belarusian Defense Minister Anatol Kastenka and Yevgeniy Kalugin, commander of the Russian Federation Long Range Air Forces, discussed a number of issues associated with this problem, including the preservation of the integrity of numerous military facilities and the ecology of those (?areas) from which military hardware is being withdrawn.

Syanko Protests to Russian Envoy Over Article

LD0609202794 Minsk Radio Minsk Network in Belarusian 1600 GMT 6 Sep 94

[Text] Belarusian Foreign Minister Yladzimir Syanko met today Igor Saprykin, Russia's ambassador to Belarus. Most of the conversation was dedicated to preparation issues for the visit by Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin to our Republic, although there is still no specific date for these visits. Uladzimir Syanko also stated that he had asked the Russian ambassador to pass on to Russia's leadership his indignation over the publication of The Country of Cucumbers [Kraina Agurkow, in Belarusian; Strana Ogurtsov in Russian], which was written in an obvious chauvinistic spirit and published on 3 September in the newspaper IZVESTIYA. It provoked surprise, to say the least, among the country's leadership. The article, according to the minister, humiliates and degrades not only the Belarusian president but also the whole Belarusian nation.

Lukashenka Interviewed on Russian TV

LD0709110794

[Editorial Report] Moscow Russian Television Network in Russian at 1800 GMT on 5 September in its "Moment of Truth" program carries a 50-minute recorded interview with Belarusian President Alyaksandr Lukkashenka by Andrey Karaulov. The date and place of the interview are not given.

Asked if he favors the market, Lukkashenka says:

"Did we not have a market, did we never have one, was there not one until recently, or did we not have a market in our time? I understand the question, but I would like to ask, are you in favor of that market which provided the greatest effect, as in Scandinavia, say, Germany, the States and so forth?"

Karaulov replies: "Alyaksandr Rygoravich, I would put the question to you like this. Well, fine, if you think that under Kosygin and Baybakov there was a market, it is clearly not like the market which started to form under Gaydar. Do you utterly reject the Gaydar-style market? Or is a compromise possible?"

Lukashenka says in response: "Absolutely right. First of all I am truly a person of compromises." He goes on: "From Yegor Timurovich Gaydar - I don't want to speak in percentages, but less than half, of course, can be taken on board and transferred to Belarus soil. But over half is completely unacceptable."

Further in the interview Lukashenka adds: "As for the economy, priorities are defined, that is in the main areas defining the motors of the economy in industries and enterprises which can haul the economy up."

Karaulov asks: "So there will be no expropriations? The state will not take back what has been sold on the pretext that it was sold cheaply, for bribes and so on and so forth? Have I got that right?"

Lukashenka replies: "You know, even if I have to return some enterprise which had been privatized illegally, Andrey Viktorovich, it will not be by some kind of taking back. Believe me, it will not. It will be for the good of the people working there."

Lukashenka is asked if he is a vulnerable person. He replies: "I grew up just with my mother in the very deepest depths of the country, half-Belorussian, half-Russian—on the border with Russia, with Smolensk Oblast. Do you know what remained in my memory from childhood? With my mom, I didn't have a father, with my mother we had half a hectare and it was hard to get a horse. We got a horse from the collective farm. We went to plow, with me leading the horse and mom behind. A neighbor ran up shouting: Clear off my land. This remained in my memory forever. And I remember crying like a child."

He goes on: "My whole life formed from that. I did not grow up resentful. It left a dreadful imprint on me. And I grew to become a protector of these poor and destitute people. Having grown up not in a male family, without a father, having grown up with my mother, I inherited these traits of my character—on the one hand I am hard from the harsh life, and on the other hand I am so soft that I cry." He describes bursting into tears on seeing the cup won by Belarusian women gymnasts in Japan. When telling the story a close-up shows tears in his eyes.

Later Karaulov asks: "You have spoken of the Belovezhskaya agreement as a crime. Did you remember those words when you saw Yeltsin in Moscow?"

Lukashenka replies: "We recalled it in conversation. Yes. I voted against the Belovezhskaya agreements. That is a known fact. And I do not regret it today. There are many things which I do not support, well not many, but there are other cases where I do not support the policy of my colleague, the Russian president. But remember the criteria for Lukashenka's policy which I spoke about earlier—reality. And the reality is that today we have nothing but the CIS."

Karaulov goes on to ask whether Lukashenka would have problems dealing with Yeltsin, given that he blamed him for the break-up of the USSR. He answers: "He promised to be sincere in relation to the young, first Belarusian president, a man who today is conducting a policy in Belarus which is being subjected to frightful criticism on the part on the opposition, aimed at closest good relations, up to and including unification on many things, so far as is possible today with the Russian people, with the Russian Federation."

He continues: "He seemed to me to be sincere, but there are too many people standing between us today who want to drive a wedge in relations between the president of Belarus and the president of the Russian Federation. I am fearful of this, and according to my information Boris Nikolayevich sometimes believes those people who are striving for that."

Karaulov then says:"It also clear now that the merger of your currency with our ruble will disrupt both our economies."

Lukashenka states: "No, that isn't quite right. Russia—the Russian government—will never go so far as to disrupt its own economy. As for what will happen if we now merge our monetary systems, simply owing to the different rates of inflation, our economy will dangle like some corpse in the noose. It will be suppressed, stifled. It will not survive it." He adds: "Let us move toward it, but not jump at it."

Karaulov goes on to says: "Two years ago—no, a year ago, Alyaksandr Rygoravich, in an interview with PRAVDA, you said tha Russia and Belarus should unite in a single state, even if it is only two states—Russia and Belarus. Now in an interview for MOSKOVSKIYE NOVOSTI you say we do not need to play the Russian card. Russia has its interests and Belarus has its. And so forth. A change of attitude?"

Lukashenko answers: "No. Once again, Andrey Viktorovich, maybe it won't sound nice on my part, but I often say that there was no such Lukashenka - in principle he could not have said that Russia has its interests and Belarus has its interests."

Karaulov interrupts to say: "Alyaksandr Rygoravich, I'm sorry, but here it is." He shows the written quote.

Lukashenka replies: "I believe you that it is written there. I can quote what you said half an hour or forty minutes ago - we have our nits in this area, as you put it, insects." He goes on: "We have more interests in common than interests which differ."

Karaulov asks: "Is it true that you asked Viktor Stepanovich Chernomyrdin in Moscow immediately to lift all customs barriers and in response he just waved his hands?

Lukashenka replies: "I'll tell you how it was. About a year to 18 months ago, Viktor Stepanovich Chernomyrdin in Bryansk at celebrations of victory or—I don't remember what it was—our chairmen of the Gomel and Mogilev Oblast Executive Committees were there. Well, Viktor Stepanovich, the Russian premier, said to one of them, the chairman of the Mogilev Oblast Executive Committee, let's lift our customs barriers tomorow on the border between Mogilev Oblast and Russia.

"Naturally, our governor, the chairman of the Mogilev Oblast Executive Committee, took a back seat. He could not lift them—after all he was not Chernomyrdin or Kebich. He said something like: I can't do that."

Lukashenka goes on: "This stuck in my mind, and when we met as equals, so to speak—I as president, he as premier, at the table, when the conversation turned to customs, fine, come on, Viktor Stepanovich, let's lift the customs barriers tomorrow. He said [words indistinct] no, no why should we lift them. I did not refer to the background of the question."

Asked about the 10 percent of Belarus voters who voted for nationalist leader Zyanon Paznyak, Lukashenka says: "Andrey Viktorovich, this 10 percent includes people who voted for him not only as an opponent of the unification of Belarus and Russia, but as a person who would have fought against corruption, like Lukashenka, and he would have fought it, that is so. So there are many people there who voted for him in consideration of his other qualities."

Karaulov then asks: "You now, as president of Belarus, are ready to tell the whole world that your people, the Belarus people, are in favour of reunification with Russia?"

Lukashenka replies: "Our people are in favor of reunification with Russia, and even more than you and I or anyone else can understand and think, even without understanding what kind of costs are there to this unification and unity, so deeply embedded in the blood of our people is the concept of fraternity and friendship of the Russian and Belarus peoples."

Asked by Karaulov if he fears that he could ruin Belarus, Lukashenka replies: "I am not only afraid of ruining Belarus, I break out into a cold sweat and tremble merely at the very thought that I will be unable to fulfill my promises given to people before the elections, in the election campaign."

The final question is: "What bastard was it, Alyaksandr Rygoravich, who dreamed up the idea that you are a second Zhirinovskiy?"

Lukashenka replies: "You know, that is the third time you've said it—we might offend Vladimir Volfovich. But the point is not Zhirinovskiy, but the image created. I have never met him. That's the first thing to say. Second, you know that Zhirinovskiy publicly supported Kebich in the elections. I have nothing to do with this image. I do not intend to push my southern border to the Indian Ocean or the Mediterranean. Neither do I intend to erect a powerful fan on my western border to blow the Chernobyl dust to the West. If that is how it is, and if that image corresponds to Vladimir Volfovich, I am extremely disappointed. So I have absolutely nothing whatever to do with that image, believe me. I am speaking sincerely."

'Shortage' Prompts Drafting of Reservists

WS0609130994 Minsk BELAPAN in English 1200 GMT 6 Sep 94

[Text] Some 122 officers in the reserve who have undergone training at the military sub-faculties of higher educational institutions and who did not serve in the Armed Forces will be called up for military service in view of the shortage of junior officers in the Belarusian Army. As a BELAPAN correspondent was informed at the Ministry of Defense, the Army is especially in need of young lawyers, interpreters, motorists, artillery men, signallers, and chemical workers aged under 27 years.

Commission Reveals Violations in Border Troops

WS0709082694 Minsk Radio Minsk Network in Belarusian 0700 GMT 7 Sep 94

[Text] The commission for inspecting the activities of the Border Troops of the Republic of Belarus, established by a presidential edict, has completed its work. According to Chairman Pyatro Chaus, his commission revealed grave violations on the part of many leading Border Troops officials, including former Commander Yawhen Bacharow. Officers from the commander's personal retinue were appointed to many posts and hard currency funds were spent without control. Various objective causes preventing the normal functioning of the Border Troops were also disclosed. All the commission's suggestions and conclusions have been presented to the president. An appropriate resolution will be made on their basis.

Demotion of Hryb's Relative Could Cause 'Standoff'

MK0709103094 Moscow SEGODNYA in Russian 7 Sep 94 p 1

[Report from Minsk by Valentin Zhdanko under the "Conflict" rubric: "President Lukashenka Demotes Speaker's Relative. General Kozlovskiy Threw an Immodest Wedding Party for His Son"]

[Text] On 6 September it transpired that the Belarusian president demoted former Defense Minister Pavel Kozlovskiy from colonel general to lieutenant general. Mr. Kozlovskiy had to pay with his general's star for "misusing his office for personal ends in celebrating his son's wedding on 11-12 June 1994, which caused substantial damages to the state." Materials of an inquiry into the matter, which had been carried out by the presidential administration's control service, have been passed to the general prosecutor.

Gen. Pavel Kozlovskiy's son married the daughter of Gen. Myacheslaw Hryb, speaker of the Belarusian parliament. The ceremony was held at a military base outside Minsk which usually served for the reception of high-ranking guests. According to reports from competent sources, the generals were not too modest in throwing a party: They invited nearly 200 guests, who were wined and dined, and accommodated at a hotel at the expense of the government. By some accounts, the issue is 30 million Belarusian rubles that were underpaid to the Defense Ministry's treasury as a result of the wedding party.

The president has instructed his new defense minister, Anatoliy Kostenko, to decide on whether Mr. Kozlovskiy should stay on in the republic's Armed Forces.

There has so far been no immediate reaction by Supreme Soviet chairman Myacheslaw Hryb to the so distressing goings-on. There is no doubt, however, that this move by the president will certainly affect his relations with the parliament speaker, which have not been particularly tender from the outset. Observers in Minsk suggest that the hidden standoff could come out in the open as early as the next parliamentary session due to begin in late September to consider the government's anti-crisis program.

Moldova

Prosecutor's Office Seeks To Ban Opposition Parties

Christian-Democrats Issue Protest Statement

LD0609185294 Moscow INTERFAX in English 1410 GMT 6 Sep 94

[Text] The Moldovan Christian-Democratic People's Front said today that the Moldovan leadership is trying to push it out of the political scene.

The Christian-Democratic People's Front circulated a statement in Kishinev [Chisinau] today in response to the statement of the Moldovan Prosecutor Office proposing to suspend activities of several political organizations in the republic for six months, including the Christian-Democratic People's Front. The Prosecutors Office motivated its decision by saying that the programs of these organizations are aimed against the statehood of Moldova.

The statement of the Prosecutor Office lacks a legal basis and is a political act aimed to intimidate the opponents of the present regime in Kishinev, the Christian-Democratic People's Front said. The Front said that the authorities seek to push it out of the political arena in defiance of the multi-party system and democratic principles.

The opposition said that world public opinion must heed "dangerous developments in Moldova which could be transformed into efforts to eliminate the opposition, establishing a dictatorship and beginning mass political oppressions."

The Moldovan Justice Ministry told Interfax that consideration of the statement of the Prosecutor General's Office could take about a month.

'Edinstvo' Condemns Pressure on Parties

AU0609172494 Chisinau BASAPRESS in English 1700 GMT 3 Sep 94

[Text] Chisinau, BASAPRESS, 3/9/1994—The "Unitate-Edinstvo" movement leadership learned from newspapers about "the divergences between the laws in effect and the movement's statute and program," stated to

BASAPRESS Vladimir Solonari, one of the "Unitate-Edinstvo" founders. A recent letter by the Moldovan Prosecutor's Office advises the Justice Minister to suspend the activity of the "Unitate-Edinstvo" movement, Christian-Democratic Popular Front of Moldova, Congress of Intelligentsia, National Christian Party, and the Ecologist Party until they adjust their constitutional documents to the current laws. Solonari stated that the "Unitate-Edinstvo" represented in the Moldovan Parliament will take into consideration this notification, but it would have been better if it had been made earlier. At the same time, Solonari who is also chairman of the commission for human rights and national minorities said that synchronizing the laws with the Constitution should not be made through actions that could be interpreted as a method of pressure on parties.

14th Army Launches TV Broadcasts

MM0709085594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 7 Sep 94 p 1

[POSTFACTUM report: "General Lebed's 'Field of Miracles.' 14th Army Television Starts Broadcasting"]

[Text] Transmissions from the Russian 14th Army's "ArmTV" studio located in the Dniester region—only visible for the time being by the inhabitants of Bendery and part of Tiraspol—began broadcasting Monday at 2000 on channels which usually carry Dniester region TV broadcasts. Aleksandr Semenyuk, chief editor of Army TV, reported that in the future it is planned to extend broadcasting to the entire Dniester region and to set up an Army radio station.

According to Aleksandr Semenyuk, "ArmTV" has received authorization from the Moldavian [Moldovan] Ministry of Communications to broadcast on frequencies registered with the international electronic communications union, after the Dniester region's State Committee for the Mass Media refused to register "ArmTV" last year.

Meanwhile, the TV of the unrecognized Dniester Republic had been broadcasting on these same frequencies, which had never previously been registered.

As of Monday Dniester region TV has started broadcasting on channels used by "Asket" cable TV without the consent of the latter's management. Aleksandr Lebed, commander of the 14th Army, has previously been sharply criticized by the Dniester region leadership on "Asket" channels.

Agreement on Fruit, Vegetable Supplies to Russia

MM0609145994 Moscow SELSKAYA ZHIZN in Russian 3 Sep 94 p 3

[Report by Valeriy Okunev: "'Green' Corridor"]

[Text] A "green" corridor for vegetables from Moldova into Russia has been opened. An agreement on this was reached during a recent meeting between Moldovan and Russian delegations.

Five Russian customs officers have been instructed to give priority to the registration of fresh fruit and vegetables transported by truck from Moldova.

An accord was also reached during integovernmental talks with Ukraine. This republic will grant permission before 1 November of this year for the transportation of agricultural produce across its territory without levying road taxes.

Arbitration Court Declares 25 Enterprises Bankrupt

AU0609172394 Chisinau BASAPRESS in English 1700 GMT 3 Sep 94

[Text] Chisinau, BASAPRESS, 3/9/1994—25 Moldovan enterprises were declared bankrupt by the State Arbitration Court as a result of the suits by local executive organs and fiscal inspections, BASAPRESS learned from Victor Cujba, Moldovan deputy state arbitrator. He mentioned that all these enterprises were private. Their debts toward state budget and banking institutions were large. The Chisinau Parliament adopted the bankruptcy law on January 3, 1992. Since then the State Arbitration has examined about 100 cases on the economic agents' serious financial situation, but only 25 enterprises were declared bankrupt. Cujba said that "no state enterprises were declared bankrupt as they are supported through budget injections." Experts point out that over 20 percent of the state enterprises have large debts and are on the brink of bankruptcy. Beginning September 2 the plaintiffs who lay suits on the indebted enterprises will pay a fee which was reduced from 10 percent to 3 percent of the amount of debts. According to the constitutional provisions, the State Arbitration is to be transformed into an Economic Court.

Kazakhstan

Almaty To Step Up Cooperation With CSCE

LD0609223694 Moscow ITAR-TASS World Service in Russian 1320 GMT 6 Sep 94

[By ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty, 6 Sep—Today in Almaty Abish Kekilbayev, the chairman of the Supreme Soviet of Kazakhstan received Uluc Gurkan, the vice-president of the CSCE Parliamentary Assembly, who is now in Kazakhstan and who is on a tour of Central Asian countries.

During a conversation, it was noted that Kazakhstan attaches great importance to its participation in international organizations. Interparliamentary cooperation, even more so within the CSCE framework, enriches the practice of parliamentarism, helps rapprochement of the elected bodies of power of European and Asian countries and thus serves their better mutual understanding. During the exchange of opinions, issues relating to the development of democracy and to the participation of parliamentarians in working out and adopting decisions of an international nature were touched upon.

Nazarbayev: Transfer of Capital To Akmola Can Wait

LD0209182594 Moscow INTERFAX in English 1606 GMT 2 Sep 94

[Text] The transfer of Kazakhstan's capital from Alma-Ata [Almaty] to Akmola (formerly Tselinograd) is not a matter for the near future, President Nazarbayev said on Friday in an interview with the newspaper Kazakhstanskaya Pravda.

He said that the decision could be made in the 21st century and that it meets the interests of the nation.

Nazarbayev was critical about the opponents of the transfer. He said that they were politicians speculating on the capital's transfer and did not want to understand the essence of the matter. The transfer will be carried out on the basis of extra-budget expenditure.

He said that many necessary buildings already existed in Akmola while some would need to be built.

Meanwhile, an Alma-Ata newspaper carried a statement by the parliament deputy Serik Abdrakhmanov on September 2. He said the transfer would require $20 to 50 billion. He said that the matter should be decided at a referendum.

Nazarbayev on Efforts To Save Aral Sea

LD0609185494 Moscow INTERFAX in English 1410 GMT 6 Sep 94

[Text] The problems of the Aral Sea and the adjacent regions should be discussed at the meeting by Central Asian heads of state during the CIS summit scheduled for October 9 in Moscow, believes Kazakhstan's President Nursultan Nazarbayev.

Nazarbayev addressed on Tuesday a session of the board of directors of the International Foundation to Save the Aral Sea, of which he is chairman. He said that the world community is very concerned about the Aral Sea problem, which, he believes, is a world problem.

Nazarbayev said he has applied for help to the heads of 32 foreign states and to international financial organizations. Donor-countries of the World Bank, at their conference in Paris, set aside $40 million to finance the first part of the program for saving the Aral Sea.

Nazarbayev believes that by the time the program is fulfilled, the sum of the aid will have reached $220 million. He also said that the Central Asian countries, founders of the international foundation, should be first to take concrete measure to save the Aral Sea.

Kyrgyzstan

Parliament Sets 13 Sep for Emergency Session

LD0609165394 Moscow INTERFAX in English 1544 GMT 6 Sep 94

[Text] The presidium of the Kyrgyz parliament fixed the emergency session of the parliament for September 13 at its meeting today. The emergency session will set up the Central Election Commission for holding referendums and for early parliamentary elections, the parliament's press service told Interfax.

The parliament elected in 1989 is expected to adopt the decision on dismissing itself before the expiration of its powers.

The present Kyrgyz parliament, in fact, ceased to be after the majority of its deputies (168 of 323) refused to take part in its session planned for September 27. The self-dismissal of the parliament forced the government to resign. Government powers, in accordance with Kyrgyz legislation, expire at the same time as the powers of the parliament which confirmed its composition.

Akayev instructed the present government led by Abbas Dzhumagulov to perform a caretaker role until a new government is formed.

Presidential Spokesman on Referendum's 'Main Goal'

LD0609204394 Moscow INTERFAX in English 1657 GMT 6 Sep 94

[From the "Presidential Bulletin" feature: "Kyrgyzstan," by Nikolay Zherebtsov and Andrey Petrovskiy]

[Text] The main goal of the referendum on amending the constitution, to be held at the end of October is to enlarge the president's powers, to specify the competence of the judicial authorities and to turn the current parliament into a two-chamber professional body, Head of the Legal Department of the president's administration Daniyar Narymbayev said, commenting on the presidential decree on ways of overcoming the political crisis, passed yesterday.

He said that the efforts to amend the constitution, adopted in 1993 was well justified, because the constitution was approved by the parliament, not by the people or their representatives in accordance with the generally accepted civilized practice.

He also noted that the decree provides for the election of local self-governments. The first round of the elections will take place in the rural regions simultaneously with the referendum on the constitution, and the second round in Bishkek and in the regions and districts, in March 1995.

The parliament presidium backed the idea of holding early parliamentary elections. An emergency session is likely to be held soon which will announce the parliament's dissolvement.

Earlier during the day Akayev accepted the proposal by the majority of the deputies on holding early parliamentary elections this year, presumably in December. Akayev also accepted the resignation of the Kyrgyz Government led by Apas Dzhumagulov, who was instructed to act as prime minister pending the formation of a new government.

On September 5, the Kyrgyz Government circulated a statement which motivated its resignation by the fact that the parliament was invalid after 170 out of its 323 deputies refused to attend its sessions, thus depriving it of the quorum.

IF Note: The 170 deputies stated last week that instead of making laws the parliament became a scene of political haggling and unproductive discussions. Prime Minister Dzhumagulov told Interfax that the parliament had become unviable and that the term of the cabinet's office expired with the expiration of the term of the parliament.

Akayev is to pass a decree shortly on holding parliamentary elections in December 1994. The new parliament will consist of 105 deputies, the president's Press Secretary Iman Rysaliyev announced during a briefing on Tuesday.

Akayev Issues Decree To Protect Foreign Investments

LD0609213794 Moscow INTERFAX in English 1802 GMT 6 Sep 94

[Text] Kyrgyzstan President Askar Akayev has issued a decree to protect foreign investments.

The decree, signed on Tuesday, allows foreign investors to take all their profits out of Kyrgyzstan in the form of hard currency or goods they have produced and cancels the former 5-percent tax on profits taken out of the republic.

Another presidential decree makes it mandatory for anyone permanently resident in Kyrgyzstan to present to a taxation agency an incomes declaration at least once a year. The declaration must indicate all incomes, including those on one's real estate and/or movables, that one receives from sources in Kyrgyzstan. One applying for a civil service position must also declare one's incomes.

Akayev has also deferred the debts of all state enterprises until October 1, 1996, to improve their financial status.

He also ordered that state allowances paid to poorer families, pensioners and students be replaced from January 1, 1995, by a single-type monthly allowance.

Tajikistan

Documents Claim Interference by 'Arab Mercenaries'

LD0709094494 Moscow ITAR-TASS in English 0802 GMT 7 Sep 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow September 7 TASS—Documents of Arab mercinaries captured by border guards on the Tajik-Afghan border in mountainous Badakhshan last August testify to outside interference in Tajik affairs.

The Russian Federal Border Service produced evidence on Tuesday of complicity of citizens from Iran, Libya, Oman, Afghanistan, Saudi Arabia, the United Arab Emirates and other countries in terrorist acts in that republic.

Border guards seized from hirelings passports, copybooks on manufacturing explosives, on how to plant them and how to wage warfare.

Foreign journalists were shown charts, tables and instructions in foreign languages on how to use advanced weapons.

Colonel Nikolay Kruglov, a high-ranking official of the border service, told ITAR-TASS that "following the arrival of Arab mercineries in Tajikistan, gunmen became more adroit in making ambushes, surprise attacks on posts and patrols. Battles became more fierce".

In the opinion of the colonel, the world public at large should display special attitude to mercineries, since they distabilise the situation not only in the southern areas of the former Soviet Union but in other parts of the world as well.

UN Envoy Meets Rakhmonov; To Meet Opposition

LD0609200394 Moscow ITAR-TASS in English 1608 GMT 6 Sep 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe September 6 TASS—A meeting of Tajik leader Emomali Rakhmonov and visiting special representative of the United Nations secretary-general Ramiro Piriz Ballon focused today on political settlement of the inter-Tajik conflict and the soonest resumption of the third round of inter-Tajik dialogue.

In the words of Piriz Ballon, his visit aims to help Tajiks put their home in order. The meeting was held behind closed doors. Both sides said they are interested in the soonest political settlement, peace and stability on Tajik land, sources at the Tajik leader's staff told ITAR-TASS today.

The envoy was told that the Tajik authorities remain adherent to building a secular democratic law-governed state and are ready for reasonable political compromises with their opponents. The Tajik parliament has issued a decree on political amnesty and decided to upgrade the official governmental delegation to the third round of inter-Tajik talks preliminary scheduled for late November in the Pakistani capital.

Tonight the envoy will leave for Islamabad to meet the political opposition for consultations in view of the third negotiations round.

Text of Rakhmonov Letter to UN Security Council

LD0609205294 Moscow INTERFAX in English 1616 GMT 6 Sep 94

[From the "Presidential Bulletin" feature No 172 (662): Compiled by Nikolay Zherebtsov, Andrey Petrovsky, edited by Vladimir Shishlin]

[Text] Interfax has received Emomali Rakhmonov's letter to the chairman of the UN Security Council which is quoted below in full.

"Lately, the inter-Tajik conflict has been acquiring features which pose a threat to peace and stability not only in Tajikistan, but also in a vast region encompassing Central Asia and the neighboring countries. The irreconcilable armed opposition and its patrons have opted for a thoughtless escalation of the armed conflict which is fraught with an uncontrollable growing of the hotbed of the conflict in Central Asia and its spreading to the neighboring countries.

We are seriously concerned about the participation in combat operations in Tajikistan of mercenaries from Algeria, Afghanistan, Sudan and some other countries. The Tajik government has irrefutable evidence of this, including dozens of citizens of the said countries detained in Tajikistan and killed in action. A list of mercenaries who took part in the undeclared war against the Tajik people is attached.

The Tajik government is far from believing that the involvement of citizens of the said countries in the war against Tajikistan was sanctioned by the corresponding governments. However, given the growing danger of uncontrollable spreading of the conflict, we are urging the Security Council and the governments of the states whose citizens are participating in the war against the people of Tajikistan, to take urgent and efficient measures to prevent further gross interference in the internal affairs of the Republic of Tajikistan.

For almost 18 months the militants of the irreconcilable armed opposition have been staging armed provocations, and terrorist and subversive acts against their compatriots. They continue to do so even during the inter-Tajik talks on national reconciliation. Having opted for the internationalization of the inter-Tajik conflict, the opposition leaders have directed large-scale military provocations against Russian border guards who are protecting the borders of the Republic of Tajikistan and of the CIS in accordance with the bilateral agreements between Russia and Tajikistan and the declaration on the observance of sovereignty, territorial integrity and inviolability of the borders of the CIS countries.

A a result of these actions, carried out in Tajikistan and from the territory of the neighboring country, the Russian border guards are sustaining losses. To protect the state border and to defend themselves the Russian and Tajik border guards have to take adequate measures.

The government of the Republic of Tajikistan is convinced that the conflict can only be settled politically on the basis of inter- Tajik talks on national reconciliation. The irreconcilable opposition' course towards the escalation and internationalization of the inter-Tajik conflict poses a threat to peace and security in Tajikistan, in the whole of Central Asia and in the neighboring countries. I would like to draw the attention of the Security Council to this dangerous tendency and urge it to take it into account during the discussion of the situation in Tajikistan and make the necessary efforts to prevent aggressive external interference in the internal affairs of the Republic of Tajikistan."

Report Says 476,000 Refugees Repatriated

LD0609173494 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 6 Sep 94

[Text] According to a report from the employment center of the republic, the total number of the forced migrants who are living on the border of the Islamic State of Afghanistan is 10,000-12,000 people.

So far, 476,000 refugees have returned to their permanent places of residence from Afghanistan and other Commonwealth of Independent States. These days, the government of the republic is taking all measures to repatriate the remaining refugees as soon as possible.

Official Refutes Success of Tajik Opposition

LD0509172594 Moscow INTERFAX in English 1546 GMT 5 Sep 94

[Text] Chief of the press center of the Tajik Defense Ministry Vasiliy Likholet denied that the Tajik opposition had launched a mass offensive in the Tavil-Darin Region (about 300 kilometers to the east of Dushanbe) during which militants, allegedly, seized the regional center of Tavil-Darin on September 4.

Likholet told Interfax that there had been no military actions in Tavil-Darin from September 1-5.

Likholet added, however, that the opposition is currently concentrating its forces and militants make repeated attempts to break from Afghanistan, Badakhshan, into Tajikistan in groups of five to ten people. Militant groups are relocating to Tavil-Darin and Garm, he said. Thus, he concluded, the opposition is concentrating its forces near Tavil-Darin. The Tajik Defense Ministry believes that the opposition militants are preparing for an offensive. Likholet said there are more than 1000 militants in the opposition grouping around Tavil-Darin.

The Tajik Defense Ministry said it believes that the opposition is now trying to learn the location of government troop posts in Tavil-Darin. The situation in the region is still under the complete control of government troops, Likholet added.

Russia's Interests in Tajikistan Pondered

MM0609163994 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 94 First Edition pp 1, 6

[Interview with Semen Bagdasarov, "expert on interethnic relations," by Aleksandr Shinkin; place, date not given: "There Is a CIS Border in Tajikistan. And Thus a Russian Border Too"]

[Text] Despite Russia's efforts to restore peace in Tajikistan, the situation in the republic remains tense. There is again fighting on the Tajik-Afghan border, and Russian guys are dying. Talks with the opposition have proved unsuccessful. What is behind the events in the republic? Should Russia have intervened in them? Is there a solution to the protracted bloody conflict? Semen Bagdasarov, expert on interethnic relations, voices his opinion on these and other problems.

[Shinkin] Early in the year, Semen Arkadyevich, a newspaper published your forecast as to how events would develop in Tajikistan. In it you predicted that active combat operations would begin here in August and September. And regrettably you hit the mark. How, in your view, is the situation developing today?

[Bagdasarov] In accordance with what is regrettably the most lamentable and tragic scenario. The fight for power and influence in Tajikistan is worsening. A considerable contribution is made to this by the fact that the republic consists of four comparatively isolated regions. The North (Leninabad Oblast) is cut off from Dushanbe by impassable mountain ranges, and rail traffic between them passes through Uzbekistan. The southern regions (the former Kulyab and Kurgan-Tyube Oblasts) are also a long way away. While Gorno-Badakhshan Autonomous Oblast occupies a quite isolated position.

This interregional separateness along with unequal socioeconomic development reinforces the process of decentralization in the republic. Now not only oblasts but also rayons and settlements have leaders who aspire to govern their lands independently of Dushanbe.

The confrontation could have been eased by starting dialogue. But the current government preferred to suppress the opposition by force. Despite all the steps that have been taken, Dushanbe has been unable to take control of the situation. In turn the opposition, having no sense that the official authorities are ready to begin talks, also pinned its hopes on armed struggle and the forcible overthrow of the existing system.

The confrontation has finished off the country's economy once and for all and is embroiling the Russian border guards and army subunits in bloody conflict.

[Shinkin] As far as I am aware, there has nonetheless been an attempt to sit down at the negotiating table with the opposition. But, as First Deputy Foreign Minister Anatoliy Adamishin said recently, its leaders are virtually not entering into contact. Perhaps the opposition or at least some part of it does not really want any accords?

[Bagdasarov] I would venture to say that that is not the case. Just a few days ago I spoke about this to Otakhon Latifi, chairman of the opposition's coordinating council. He said that opposition leaders are willing to begin talks at any moment.

I personally am inclined to believe that neither the leadership of Tajikistan nor the Russian Foreign Ministry was until recently seriously in the mood for dialogue with the opposition. And that was well and truly demonstrated by the two inter-Tajik meetings in Moscow and Tehran. The talks there were not conducted by leaders of a level that can influence the situation in the republic and the alignment of opposition forces.

[Shinkin] What is your opinion of the appearance of gunmen from Iran and other countries among opposition groupings?

[Bagdasarov] There is nothing unexpected in that. In my view, the influx of volunteers from Muslim countries coming to help the Tajik mujahedin will increase. We must not forget that there are many currents of political Islam in the Near and Middle East which have considerable influence over the life of countries in these regions. These organizations have detachments of militarily well trained people who naturally are joining the war in Tajikistan.

[Shinkin] However, the situation in Tajikistan is not determined only by the Muslim factor. Presumably, the republic's geographical position plays just as big role. Which countries' interests clash here?

[Bagdasarov] Many countries'. For instance, the United States is well aware that the question of who will control Central Asia is being decided in Tajikistan today. And I think that it is acting on the following principle: Rather than let Iran call the shots there, it would be better for Russia to be there, bearing the brunt of the tremendous expenditure. However, its ambitions should be minimal.

On the other hand, the United States realizes that after Afghanistan Russia has gotten involved in a new war which is reinforcing its image as an anti-Muslim country still further. And I do not rule out the idea that the United States is secretly thinking that tomorrow Islamic groupings will start organizing explosions not in New York or London but in Moscow, St. Petersburg, or Krasnoyarsk.

At the same time people in the United States may be thinking about what other country or alliance of countries could replace Russia in this region. It is no secret that Turkey actively implements U.S. interests in Central Asia.

Iran, despite many contradictions, also aspires to play the main role in the region. It is primarily strengthening its influence among the Shi'ite groupings in Tajikistan as it aspires to the role of leader of world Islam.

China is also actively pursuing its policy in the Central Asian region.

Afghanistan may be the only country in this region that does not have state interests in Tajikistan. Since, it has to be admitted, there is no state there. On the other hand, there are the interests of the field commanders and their units. There are tens and thousands of people with a grudge against Russia who have been fighting for many years now and can regrettably do nothing else.

[Shinkin] What interests, Semen Arkadyevich, is Russia upholding in Tajikistan? Would it not be better to leave? That opinion is, incidentally, one that can be heard increasingly often.

[Bagdasarov] I think that Security Council Deputy Secretary Valeriy Manilov provided a good answer to this question recently. The essence of his reply is this: If Russia is a great power, it has economic, political, and military interests in Tajikistan. And we must not be ashamed of that. The CIS external border lies there and thus our Russian border too. Preparing a different kind of border in this sector requires a great deal of time, effort, and money. And we must today ensure the security of Russia's southern borders and bar the way to weapons proliferation and drugs.... What is more, we need stability in this region, and we do not want a hotbed of permanent warfare right next door.

And Russia also has economic interests here. Remember the unique Pamir rare earth metal deposits. Or access to India. Russia has an interest in ensuring that Tajikistan chooses us as partners in constructing the Dushanbe-Islamabad highway, for instance. Otherwise we will only be left with a route through warring Afghanistan.

[Shinkin] Nevertheless, some political scientists are saying that Russia's policy in Tajikistan does not always accord with its national interests.

[Bagdasarov] In my view, it is more correct to discuss how Russia is defending its interests. And here it must be acknowledged that it is not entirely successful. For instance, in defending the border in Tajikistan we are defending stability in other neighboring republics. However, Russia bears the full brunt of the cost. Yet Uzbekistan, Kazakhstan, and Kirghizia [Kyrgyzstan] could spend more money on this than they are doing now. Were these countries to assume half the cost, they would, I am sure, have more of an interest in stability in Tajikistan.

On the other hand, while Russian border guards are dying in battle, other countries' firms are stealthily grabbing the republic's wealth.

[Shinkin] Perhaps the neutrality observed by Russia better promotes the settlement of the conflict?

[Bagdasarov] I am not an armchair political scientist. I have firsthand knowledge of the situation and people's mood. At the moment pro-Russian sentiments are strong in the republic, particularly in Gorno-Badakhshan. And even the leaders of the hard-line opposition recognize Russia's interests in the region. What is more, you must realize that the war in Tajikistan is a lengthy business. Centuries of experience shows that political Islam has never won by force, and interregional conflicts will not disappear tomorrow. Therefore neutrality only prolongs the conflict.

[Shinkin] But won't the Tajik presidential elections resolve many of the country's problems?

[Bagdasarov] Elections amid civil war in my view not only do not stabilize the situation, they actually complicate it. And elections, particularly single-candidate elections, will force the opposition to embark on the road of uncompromising armed struggle.

Judging from Dushanbe's actions, people there were keen to prevent the nomination of a second presidential candidate. The situation as regards registering an opponent to Emomali Rakhmonov, current chairman of the republic's National Assembly, attests that certain political forces do not want to have an influential man like Abdumalik Abdulladzhanov as a rival. Although many people in Tajikistan, as you know, are pinning their hopes of national reconciliation and civil peace on this man.

[Shinkin] In your view, how will events unfold in this troubled region?

[Bagdasarov] There are most likely two scenarios now. The first is undesirable for Russia. The radical opposition may win and take power. But it will hardly be able to preserve Tajikistan as a unified state. The republic will break up into a number of quasi-states. Although nominally Tajikistan would remain a unified state, that is, there might be a repeat of the current situation in Afghanistan.

Given the other alignment of forces, Tajikistan would also not be preserved as a unified state. But in this case the process of creating new state formations and shaping a new balance of forces in the region would proceed in accordance with Russia's interests. In this case Russia would succeed in consolidating its position, primarily in strategically important Gorno-Badakhshan.

Therefore it is high time that Russian politicians made their minds up about their position in Tajikistan. There is an urgent need to create a special committee on Tajikistan possessing broad powers and pooling the efforts of all departments. But at the same time we should ask what the interdepartmental commission on Tajikistan set up following the first tragedy on the border last July has achieved. I think that independent contacts with both the leaders of the Tajik opposition and the Kabul leadership, in particular with Afghanistan's major military authorities, must be stepped up. There will be no peace on the border without a relatively stable situation in Afghanistan.

I think that it would be sensible for the Tajik leadership to enter into talks with the opposition, hold democratic elections, and start intensive consultations with regional leaders over the formation of a new government, taking their historical interests into consideration.

Spokesman: $4 Billion Needed To Restore Economy

LD0309150294 Moscow INTERFAX in English 1337 GMT 3 Sep 94

[Text] A total of $4 billion are needed in 1994-95 to restore Tajikistan's economy ruined as a result of the 1992 civil war, a well informed source in the republic's government reported to the Financial Information Agency Saturday, he referred to the data of the International Bank for Reconstruction and Development. According to the bank experts, the total damage inflicted to the republic by the war is $7 billion.

According to the source, Tajikistan's population is on the threshold of poverty as a result of the sharpest economic crisis. The majority of the people cannot buy even the essential food products. For example, one kilogram of meat in Dushanbe costs 1800- 2000 rubles, butter - 4500, sugar -1900, and 30 eggs - 3600 rubles under the minimum wage totaling 12000 rubles a month (this June inflation rate in the republic was 12 percent).

Due to the deficit of cash the debt on payment of wages, pensions, and benefits is growing. Over the first half of 1994 the debt on wages has reached 200 billion rubles.

As of June 1, 1994 Tajikistan's foreign debt to western creditors and CIS countries was $432.9 million, about $234 million are to be paid off on credits granted by the republics of the former USSR. In addition, Tajikistan's debt on credit to Russia totals 120 billion rubles.

Turkmenistan

President Prefers Bilateral Links With CIS

LD0609210894 Moscow INTERFAX in English 1616 GMT 6 Sep 94

[From the "Presidential Bulletin" feature No 172 (662): Compiled by Nikolay Zherebtsov, Andrey Petrovsky, edited by Vladimir Shishlin]

[Text] President Saparmurad Niyazov reiterated his republic's preference for bilateral links with CIS member states over multilateral links in the CIS framework.

He believed that agreements that enable CIS centers taking over some of the national sovereignty were non-starters.

IF Note: Niyazov advocated bilateral cooperation and kept his country away from multilateral agreements until Turkmenistan joined, unexpectedly for many observers, the CIS Economic Union Treaty at the last year's Ashgabat summit. He is believed to regard the transnational political structures of the Eurasian Union proposed by Kazakh President Nursultan Nazarbayev as centers to which sovereignty would be delegated.

The Turkmenistan government discussed the agenda of the CIS Advisory and Coordinating Committee meeting scheduled to be held in Moscow Wednesday [7 September].

The ACC meeting attended by deputy prime ministers is to lay the groundwork for the meeting of the CIS Council of Heads of Governments which is scheduled to be held in Moscow on September 9. The meeting will be chaired by Russian Deputy Prime Minister and Economic Minister Aleksandr Shokhin whose mandate of ACC chairmanship expires on December 31.

Officials in the Russian government's machinery told Interfax that the ACC meeting draft agenda consists of over 20 specific issues in three large fields. Above all, the ACC will discuss joint preparations for celebrations of victory in World War II, in particular a draft CIS program of commemorating the war dead.

Analysis of the implementation of the Economic Union Treaty is expected to be the key item on the agenda. The deputy prime ministers will discuss and, possibly, approve the guidelines for the Inter-State Economic Committee which would work for closer integration in the CIS framework and coordination of economic links. (IF Note: It was Turkmenistan that vetoed the setting up of such a committee at the latest CIS summit in Moscow). Mutual conversion of currencies of CIS member states and a draft of a Payment Union Agreement will also be on the agenda of the meeting.

The ACC will also analyze the implementation of the decisions made by the CIS Councils of Heads of States and of Heads of Governments, in particular the Guidelines and Outlook for CIS Integration in 1994-95.

Adoption of legislation in CIS member states on benefits for the families of those who were killed in Afghanistan and other countries where the USSR was engaged in hostilities, an agreement on cooperation in the petrochemical and chemical industries, replacement of locomotives and the rolling stocks and the Eurasian Patent Convention will be among the items on the agenda.

The Turkmenistan delegation is expected to discuss with Russian officials the details of Niyazov's visit to Moscow in October.

IF Note: One of the issues in the talks will be an agreement on protection of the Russian-speaking minority in Turkmenistan and a similar document on protection of Turkomans staying in Russia.

Cabinet Discusses Upcoming CIS Meeting

LD0609185594 Moscow INTERFAX in English 1330 GMT 6 Sep 94

[Text] On Monday [5 September] the Turkmen Cabinet discussed the agenda of the upcoming session of the Commonwealth's Coordinating and Consultative Committee and declared, once again, that Turkmenistan will promote only bilateral relations with other Commonwealth republics. The Coordinating and Consultative Committee is meeting is Moscow on September 7.

Turkmen President Saparmurad Niyazov views the resulting restriction of the republics' sovereignty from joining the Commonwealth of Independent States as "having no prospects."

Delta Airlines Contract With Government in Doubt

LD0509174294 Moscow INTERFAX in English 1555 GMT 5 Sep 94

[Text] The U.S. air company Delta may put the breaks on a deal for $120 million it signed with Turkmenistan's Civil Aviation Department in May to supply three Boeing 737 and one Boeing 757 due to the partner's insolvency.

A spokesman for the Turkmen aviation company told Interfax, with reference to the terms of the contract, that although the bill was to paid by early August, Ashhabad has so far only paid for the two Boeing 737s already delivered to it.

Under the deal, Delta Airlines receives the opportunity to land in Turkmen airports on international flights and the Turkmen side is to sell tickets for Delta flights. However, neither part of the deal has been implemented through Turkmenistan's fault.

The newly acquired planes are intended for international air routes between Ashhabad London, Beirut, and Damascus and to Europe via Ankara and Istanbul.

The spokesman seriously doubted prospects for further cooperation with Delta because of the shortage of hard currency in Turkmenistan. In his opinion, the civil aviation department will most likely slow down negotiations on two medium-range Boeing 737 liners to be purchased from U.S.-C.I.S. ventures ($60 million) and on three helicopters to be bought from Sikorsky Aircraft.

At present, Turkmenistan possesses one Boeing 737 and one Boeing 757, the latter of which remains unpaid for.

The Turkmen aviation department their interest in Western liners stems from the fact that the Russian medium-range TU-154 liners, making up the bulk of Turkmenistan's civil aircraft, are uneconomical while settling accounts with Russia for repairs is too much of a hassle.

Uzbekistan

Economic Cooperation Accord Expected With Ukraine

MK0609095094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Sep 94 p 3

[Unattributed report in the "Uzbekistan" column]

[Text] A Ukrainian delegation led by Industry Minister Anatoliy Holubchenko has arrived in Uzbekistan. For three days the delegation will hold talks with the Cabinet of Ministers, the Foreign Economic Relations Ministry, and the Foreign Affairs Ministry.

Based on the results of the visit a declaration on principles of Uzbek-Ukraine economic partnership and an agreement on mutual protection of investments are expected to be signed. Also to be discussed is a visit to Uzbekistan by Ukrainian President Leonid Kuchma, scheduled for this fall.

Three Documents Signed

LD0609192194 Moscow INTERFAX in English 1520 GMT 6 Sep 94

[Text] The Uzbek-Ukrainian talks in Tashkent on Monday ended with the signing of three documents—an agreement on principles of partnership, an agreement on mutual protection of investments and an agreement on industrial cooperation.

Uzbekistan and Ukraine believe that the document will contribute to the restoration of former economic relations and development of new ones.

The agreements provide for creating several dozens Uzbek- Ukrainian joint ventures, mainly in the sphere of extraction and processing of rare and precious metals.

Ukrainian President Leonid Kuchma is expected to visit Uzbekistan this autumn.

Ukrainian Ambassador Seen Disrespecting Uzbeks

MK0609121594 Moscow SEGODNYA in Russian 6 Sep 94 p 5

[Irina Gribova report from Tashkent: "Ukrainian Ambassador's Faux Pas"]

[Text] Smetanin, Ukraine's ambassador to Uzbekistan, may be recalled. The reason is the celebration of Ukraine's Independence Day in the Abdul-Kosym medrese. This aroused discontent among representatives of the Uzbek nationality who stated that Slavs had desecrated a Muslim shrine. Signs are that Smetanin's intention to demonstrate the strengthening spiritual ties between the Ukrainian and Uzbek people, which he proclaimed in his toast, has failed to find understanding.

Delegation Considers Cooperation With Tyumen Region

LD0609190794 Moscow ITAR-TASS in English 1506 GMT 6 Sep 94

[By ITAR-TASS correspondent Vladimir Zuikov]

[Text] Tymen 6 Sep (TASS)—A delegation from Uzbekistan headed by the Vice-Premier Rustam Yusupov reviewed a programme of all-round cooperation during its visit to the Tyumen region today which ended today.

Uzbekistan and Tyumen have long been maintaining business and cultural relations. Tyumen region's two young cities of Nygan and Urai were built by Uzbek builders. Trade between Uzbekistan and Tyumen had been successfully devloping. "The disintegration of the Soviet Union led to a loss of economic ties. This is being increasingly felt by both sides," Yuriy Lesovoy, deputy head of the Tyumen regional administration, emphasised talking to ITAR-TASS.

The Uzbek side is interested in the construction of housing, social facilities, railway lines and motor roads and their repairs. In exchange the Tyumen region expects to receive agroindustrial products, cotton and silk fabrics.

The programme covers the fourth quarter of 1994 and next full year, and will determine how profitable is cooperation to both sides.

Armenia

Cease-Fire Violations on Border Reported

NC0609173594 Yerevan Radio Yerevan in Azeri 1330 GMT 6 Sep 94

[Text] The Armenian Ministry of Defense Press Service has informed ARMENPRESS that Azerbaijan's military units fired on the defense positions in [place-name indistinct] in Tavushskiy Rayon from [word indistinct] to 0030 the next morning on [words indistinct]. No one was hurt in the attack. The Armenian freedom fighters took retaliatory measures. According to the information we have, the situation was peaceful in the border rayon on 5 September.

The Armenian Ministry of Defense Press Service has disclosed that Azerbaijan's military subunits disrupted the peaceful situation in Armenia's northeastern border areas last night. They fired on the defense positions in Movses in Tavushskiy Rayon and (Kiransk) in Idzhevanskiy Rayon with mortars and other types of arms from 2230 to 0030. No one was hurt. Our border guards refrained from taking retaliatory measures.

The same source has also disclosed that the situation in the other border rayons was peaceful last night and this morning.

Meanwhile, the Nagorno-Karabakh Republic Press and Information Office has disclosed that no incident has occurred in the front line in Artsakh [Nagorno-Karabakh] to violate the cease-fire agreement.

Ter-Petrosyan Says Karabakh Truce Must Be Permanent

LD0309145194 Moscow INTERFAX in English 1332 GMT 3 Sep 94

[Text] Armenia's President Levon Ter-Petrosyan has stressed the need "to make the process of truce in Karabakh irreversible." He voiced this view at a meeting with the U.S. ambassador to the United Nations Madlaine Albright. Ter-Petrosyan noted that the peace process could be guaranteed by observers and disengagement security forces.

However, he pointed out that it was still to early to talk about the status of Nagorno-Karabakh. "It should be discussed by the CSCE conference in Minsk," Ter-Petrosyan stressed.

Russian Newspapers Available at Newsstands

MM0609122794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2-5 Sep 94 p 2

[Report by Vardan Aloyan under the "Subscription-95" rubric: "KOMSOMOLSKAYA PRAVDA in Armenia"]

[Text] KOMSOMOLSKAYA PRAVDA has reappeared on newsstands in Armenia after a break of two years. The Yerevan "Viktoriya" Concern took the initiative in bringing Russian newspapers into the republic. After a month-long marketing campaign, "Armpechat" has rejected other Moscow publications ("They did not sell!") and is offering readers KOMSOMOLSKAYA PRAVDA and IZVESTIYA.

"Armpechat" intends to make Russian weeklies available for subscription. On learning that our tabloid—KOMSOMOLSKAYA PRAVDA for Saturday reading—has a separate index number, "Armpechat" director Ruben Miroyan announced subscription to it from September.

Azerbaijan

Talks on Karabakh, Armenia's Approach Viewed

NC0609160494 Baku Radio Baku International Service in Azeri 1300 GMT 5 Sep 94

[Unattributed commentary: "The Dispute Between Armenia and Azerbaijan and the New Round of Political Talks"]

[Text] As reported earlier, experts have begun their second round of talks in Moscow in an attempt to find a peaceful solution to the dispute between Armenia and Azerbaijan. The talks are held through Russia's mediation. The first round of talks failed to yield results because of Armenia's reluctance to maintain an objective approach. It must be stressed that there is no sign to indicate that progress will be achieved in the present round of the talks. The sides are maintaining their deliberations on the significant political agreement that has been proposed by Russia.

The sides have agreed on nine of the 17 provisions in the draft agreement. The remaining provisions are very important. In fact, they are linked with matters related to the realization of the entire peace process. Those that concern Azerbaijan are linked with the question of withdrawal from all occupied territories and the creation of the conditions that are required for the return of the refugees to their homes. Those that concern Armenia are linked with the establishment of security for the Armenians in Nagorno-Karabakh and the establishment of the future status of that territory, which is a part of Azerbaijan.

Considering the serious outcome of the war, which has continued for more than six years, the inclusion of those matters on the agenda of the talks was an objective approach. However, the Armenian side's behavior has obstructed the effort that has been made to remove the outcome of the fighting until now. Yerevan has insisted that Nagorno-Karabakh's status be established first and urgent measures be taken to guarantee the security of the Armenians in that region. It has said that holding talks on the withdrawal of military troops from Azerbaijan's occupied territories and the return of the refugees to their homes can be possible only after that is done.

Undoubtedly, that approach has not satisfied Azerbaijan at all. Baku has disclosed several times that Azerbaijan is prepared to discuss Nagorno-Karabakh's status and provide security for the Armenians in that region. However, peace must be established first so that none of the sides is confronted with a threat. In other words, the situation that existed prior to the beginning of the dispute in 1988 must be reinstated, the occupied territories in Azerbaijan must be liberated, and the refugees from those territories must be allowed to return to their homes. The question of Armenia's demands can be resolved only after all that is realized.

Undoubtedly, that is the approach that should be maintained by the countries that wish to safeguard their sovereignty and territorial integrity, including Azerbaijan. Meanwhile, it must be recalled that the UN Security Council resolutions on the dispute have called for the immediate withdrawal of military forces from Azerbaijan's occupied territories.

Armenia's unconstructive stand is aimed at using the territories it has occupied in the political bargaining talks. It must be recalled that Yerevan has not abrogated its decision to unite Nagorno-Karabakh with Armenia and reject any international document that describes that region as a part of Azerbaijan's territory. In view of that, Armenia's approach in the political talks in Moscow has not come as a surprise. Obviously, it shows that republic's expansionist intentions. However, considering the economic problems in Armenia, that policy will not contribute toward its interests.

U.S. Urged To Take Specific Steps on Karabakh

MK0609102094 Moscow SEGODNYA in Russian 6 Sep 94 p 5

[Report by Arif Useynov under the "Voyage" rubric: "Peace in Karabakh, American-Style. U.S. Ambassador to the United Nations Madelaine Albright Makes a Tour of CIS 'Hot Spots'"]

[Text] This tour by Ms. Madelaine Albright, U.S. ambassador to the United Nations, is strictly "fact-finding" in nature, which she stated live in an interview for the U.S. Worldnet satellite television service. She has embarked on the most complex route—republics of the former USSR, where regional conflicts are most bitter and tangled. The American press has clarified that Ms. Albright, who holds a senior post not only as the U.S. ambassador to the United Nations, but also as member of President Clinton's cabinet and the National Security Council, must make an objective assessment of these conflicts, taking into account "U.S. interests." A delicate phrasing, cautiously put as is diplomats' wont.

The crux of the matter is, however, that the negotiating process aimed at hammering out a major political agreement, which resumed 1 September in Moscow with Russia's mediation and which is attended by representatives of the CSCE Minsk group, has passed to a stage where it is necessary to devise specific measures to establish peace in the region and to overcome the consequences of the Karabakh war. During her meeting with the Azerbaijani president, Ms. Albright unequivocally argued for the international community's involvement in conflict settlement, a call that was drew reciprocal consent from Geydar Aliyev.

There have as yet been no specific steps on the U.S. part, however. Russia alone is demonstrating consistency, as it tries not to let the negotiating process die out lest fire should resume. The American "diplomacy of passing over in silence" has exhausted itself: however hard Western politicians might try—in open or thinly veiled statements—to expose Russia's "mercenary ambitions" in the Transcaucasus, the time has come when Russian diplomats, too, are entitled to ask their partners: What is it that you specifically propose?

Despite expectations, Ms. Albright did not propose anything specific during her two-day stay in Baku, either, being too cautious in her judgments and not going beyond the bounds of general characteristics. Nothing is known about either Bill Clinton's message to the Azerbaijani president, or the closed-door talks Geydar Aliyev held with the American diplomat.

The Azerbaijani press continues to publish translations of articles from leading U.S. newspapers that criticize the stance of the U.S. Administration on the settlement of the Karabakh conflict. Observers think that this assessment is directly related to the interests of oil companies that, according to reports from confidential sources, are scheduled to ink "the contract of the century" with Azerbaijan on the development of oil and gas fields on the Caspian shelf not later than 25 September. Even THE WASHINGTON POST has urged the U.S. Administration to proceed from general statements about "supporting the peace process within the framework of the CSCE Minsk Group" to specific steps that could actually ensure peace in the region.

UN Cannot Afford Karabakh Peacekeeping Operation

LD0609123294 Moscow INTERFAX in English 1147 GMT 6 Sep 94

[Text] The United Nations cannot afford mounting a comprehensive peacekeeping operation in Nagorno-Karabakh, a senior presidential source in Baku told Interfax. He was commenting on the outcome of talks between President Heydar Aliyev and UN Secretary General Butrus Butrus-Ghali in Cairo on Monday. Both of them are participating in the world population conference there.

The source quoted Butrus-Ghali as saying the UN could only afford sending an observer team to the region as part of the CSCE peace effort.

For his part, Aliyev drew the Secretary's attention to the fact that four UN Security Council resolutions on

Nagorno-Karabakh still remain only on paper. The source said Ghali held out promises of tackling the issue and preparing new proposals for regional peace.

Ex-President in Nakhichevan Expects Attack Soon

LD0609121794 Moscow INTERFAX in English 1148 GMT 6 Sep 94

[Text] Government forces are being concentrated around the village of Keleki in the Nakhichevan Autonomous Republic, where Azerbaijan's ex-president and leader of the Popular Front Abulfaz Elchibey is staying, Elchibey's press service reports. It circulated a statement which alleges that an attack will be made on the village soon.

Elchibey has been staying in his native village of Keleki since the summer of 1993, when he was removed from power by the grouping of the current prime minister Surat Huseynov.

The Popular Front's press service reports that the government troops have blocked the roads leading to Keleki, check buses and cars going in the direction of the village, and search the passengers. Police and army units are also assuming positions in the neighboring villages.

An informed source in the Azerbaijani Interior Ministry, who preferred to remain anonymous, told Interfax that 200 men strong units were sent from Baku last Sunday to the Azerbaijani exclave between Armenia, Iran and Turkey.

The press center of the Azerbaijani Interior Ministry denied reports about the transfer of government forces to Nakhichevan or their concentration around the village of Keleki.

At the end of August, government troops carried out an operation to eliminate the armed grouping of Elchibey's supporter Shakhmardan Dzhafarov.

Damage Caused by Armenian 'Aggression' Reported

NC0209193194 Baku Radio Baku Network in Azeri 1700 GMT 2 Sep 94

[Text] Armenia's aggression has resulted in the destruction of many residential areas and social installations. What is the loss Azerbaijan has suffered? According to the Committee for Refugee Affairs, 300 residential areas, 69 schools, 35 preschool buildings, and [words indistinct] have been destroyed or set on fire. Furthermore, [words indistinct] also have been destroyed and set on fire. The loss the republic has suffered totals billions of dollars.

Trains Diverted From Chechnya For Safety Reasons

LD0609172294 Moscow ITAR-TASS World Service in Russian 1600 GMT 6 Sep 94

[By Azertadzh correspondent Alla Baula for TASS]

[Text] Baku, 6 Sep—Azerbaijan's passenger trains travelling to Moscow, Kiev, and other towns in the CIS via Chechnya have been cancelled from today onwards. An Azertadzh correspondent has been told at the railway directorate that it was decided to temporarily close the railway routes crossing Chechnya in connection with the situation in that republic becoming aggravated and in order to ensure passenger safety.

Anticrime Operation Mounted Near Iran Border

LD0609122094 Moscow INTERFAX in English 1149 GMT 6 Sep 94

[Text] Security forces in Azerbaijan have launched an operation aimed at cracking down on criminal groups in the southern regions of Astar, Lenkoran and Jalilabad on the border with Iran.

An Interior Ministry spokesman told Interfax that a large amount of illegal weapons, drugs and stolen cars was seized.

The operation comes as part of President Heydar Aliyev's decree to fight against crime issued five days ago, he said.

Security forces supported by helicopters are involved in the operation expected to last until mid-September, an Interior Ministry source told Interfax.

Georgia

Russian Troops Carry Out Tactical Exercises in South

LD0609201794 Tbilisi SAKINFORM in Russian 1746 GMT 6 Sep 94

[Text] On 6 September, according to the plan of combat training of a group of Russian troops in the Transcaucasus, tactical exercises with the participation of these troops started in the Akhalkalaki Rayon in south Georgia.

A correspondent of the Georgian News Agency has been told by the troops' press center that Colonel General Fedor Reut, commander of the Russian troops in the Transcaucasus, was conducting the exercises, during the motor rifle battalion was working out in the mountains.

Armenian, Georgian Defense Ministers Attend

LD0609180994 Tbilisi IPRINDA in Russian 1250 GMT 6 Sep 94

[Text] Tbilisi (IPRINDA)—An IPRINDA correspondent has been told at the press center of the GRVZ [Group of Russian Troops in the Transcaucasus] that in accordance with the GRVZ's combat training program, a tactical exercise began on 6 September on the territory of Georgia's Akhalkalaki Rayon. The exercise, led by the GRVZ commander, Colonel-General Fedor Reut, involves field firing, the forced crossing of water obstacles, and the operation of a motor-rifle battalion in the mountains. Armenian and Georgian Defense Ministry representatives are attending the exercise, which is expected to last until 9 September.

Shevardnadze Appoints Army Representative to CIS

LD0609205694 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 6 Sep 94

[President Eduard Shevardnadze decree; date, time of issue not given]

[Text] Major General Vladimer Chikovani, deputy defense minister of the Republic of Georgia, is hereby appointed representative of the armed forces of the Republic of Georgia and deputy head of the headquarters for the coordination of military cooperation between the CIS member-states.

Shevardnadze Meets Indian Ambassador

LD0609202694 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 6 Sep 94

[Text] Today, Eduard Shevardnadze, chairman of the Georgian parliament and head of state, received Ranendra Sena, ambassador extraordinary and plenipotentiary of India to the Russian Federation. The meeting discussed the prospects for widening relations between the two states; sharing experiences of governing a multiethnic state; and signing of economic, trade, and cultural agreements. Eduard Shevardnadze praised the Indian prime minister, Narasimha Rao's domestic and foreign policy, and expressed the hope that it would help revive the country.

In conclusion, the head of state assured the Indian ambassador of the Georgian people's traditional good will and invited the Indian prime minister to Georgia.

Governmental Delegation Leaves for Moscow

NC0609190894 Yerevan SNARK in English 1439 GMT 6 Sep 94

[Text] Tbilisi, September 6 (SNARK)—Today the governmental delegation of Georgia, headed by Prime Minister Otar Patsatsia, has left for Moscow in order to participate at the meeting of coordinating-consultative committee of the CIS.

As SNARK was told in the press centre of the Ministers' Cabinet, during the visit in Moscow problems of economic and other relations' development in the CIS will be discussed. Besides, Georgian Defense Ministers intend to meet with Russian ones.

Premier Heads Delegation

LD0609183994 Moscow INTERFAX in English 1330 GMT 6 Sep 94

[Text] A Georgian delegation led by Prime Minister Otar Patsatsia left Tbilisi for Moscow to attend a session of the Commonwealth's Coordinating and Consultative Committee on Wednesday.

Member of the Georgian delegation Defense Minister Varden Nadibaidze plans to meet Tuesday with his Russian counterpart Pavel Grachev. According to the press center of the Georgian Defense Ministry, the two men will discuss the developments in Abkhazia and moves to be taken by Russian peacekeeping forces in Abkhazia.

Grachev's aide Yelena Agapova told Interfax that no official report on the Grachev-Nadibaidze meeting is available at this time.

CIS Assembly Secretary General Arrives on Visit

LD0609182694 Moscow ITAR-TASS in English 1329 GMT 6 Sep 94

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi 6 Sep—Mikhail Krotov, secretary-general of the interparliamentary assembly of the Commonwealth of Independent States, arrived for a working visit to Georgia today.

Mikhail Krotov is due to meet Georgian President Eduard Shevardnadze and Georgian Parliament Chairman Vakhtang Goguadze on Wednesday [7 September].

Krotov will then go to Batumi, capital of the autonomous republic of Ajaria, to take part in the work of the interparliamentary assembly's commissions on international and legal affairs.

Chikvaidze Signs Accord With Migration Organization

LD0609205794 Tbilisi SAKINFORM in Russian 1746 GMT 6 Sep 94

[Text] [No dateline as received]—An agreement on cooperation between Georgia and the International Organization for Migration [IOM] was signed in Tbilisi today. The agreement was signed by Georgian Foreign Minister Aleksandre Chikvaidze and Kim Nayhill, a regional IOM representative in the Caucasus. IOM is an intergovernmental organization that functions worldwide and works on problems of migration, refugees, and the forcibly displaced. Since the end of last year, the IOM mission in Georgia has acted widely and carried out a program for improving the capabilities of the government's humanitarian bodies. Together with the UNHCR [UN High Commissioner for Refugees], the IOM has participated in the program for repatriation, and in particular, transportation of the forcibly displaced population and their delivery to places of destination.

Major Offshore Gas Deposit Discovered

LD0609093394 Moscow Radio Rossii Network in Russian 0900 GMT 6 Sep 94

[Text] A natural gas deposit has been found in the waters of the Black Sea off the Georgian port of Batumi. It is possible that around five billion cubic meters of gas per annum could be recovered when it is industrially developed. This would supply half of Georgia's demand for natural gas, Interfax reports.

Offshore prospecting work was done in August using a special Russian scientific research vessel.

Meanwhile, in his weekly radio address on Monday, Georgian leader Eduard Shevardnadze said that a major gas deposit had also been found on the territory of the republic in the Kolkhida depression, where drilling work had already started.

At the moment Georgia only gets gas from Turkmenia, to whom it owes more than $360 million.

Funds Needed To Exploit Ajaria Offshore Gas Field

MM0609151194 Moscow IZVESTIYA in Russian 6 Sep 94 p 2

[Report by Sergey Leskov: "Lots of Gas Found Off Coast of Ajaria, Not Yet Known Whether It Can Be Exploited"]

[Excerpts] Batumi—Ships rarely put in at the port of Batumi, the largest in the Caucasus—there is a grave economic crisis in the country. But for three weeks now the people of Batumi have been discussing what is happening in coastal waters. The research ship Professor Vodyanitskiy from Sevastopol is working near the shore prospecting for gas off Ajaria's shores.

"Professor, we wish you success" is the most typical message for Doctor of Sciences Viktor Yegorov, the head of the expedition, on the streets of Batumi.

Around 500 gas vents on the shelf have been studied. As Professor V. Yegorov said, with every passing day the certainty is growing that this field is fit for industrial exploitation: 5 million cubic meters of gas a day—80 percent methane and 12 percent hydrogen—are being discharged from the seabed in the vicinity of Batumi. Food is already being cooked and coffee made with the gas brought to the surface by pipeline, and the "local god" is enabling those who so desire to get a light.

In the opinion of Doctor of Physical-Mathematical Sciences Gely Tkeshelashvili, who is chief of the expedition on the Georgian side, the main problem is how to collect the gas that is rising from a sizable area. A unique structure has been suggested, namely a hemisphere with a pipeline leading to the surface. G. Tkeshelashvili and his Ukrainian colleagues believe that this technology is reliable and does not require major investment.

Needless to say, it is hard or even impossible to say now how soon it will be possible to exploit the gas field off Ajaria's shores that is so badly needed by Ajaria and the Transcaucasus as a whole. But hopes are bolstered by the fact that this is the only region in Georgia where stability is maintained, where shots cannot be heard, and where peaceful construction is possible. Investment is the fundamental and as yet unresolved question.

I left Batumi, but the Professor Vodyanitskiy was asked to stay another three days. There has proved to be more gas than originally thought. Yet owing to the fuel shortage our aircraft could not reach Moscow without refueling....

Minister Outlines 2d Stage in Fight Against Crime

AU0309144394 Tbilisi SVOBODNAYA GRUZIYA in Russian 24 Aug 94 p 1, 3

[Statement by Internal Affairs Minister Shota Kviraia; place and date not given]

[Text] Citizens of Georgia!

It is not by chance that I, as the republic's minister of internal affairs, am delivering this statement.

I know that each one of you is worried by the increase in crime in our country. We are also convinced that many of you have suffered trials and tribulations inflicted by robbers, bandits, racketeers, and mafia clans. It is also natural and wholly understandable that you should demand that the police protect citizens and our society as a whole from these calamities.

Feeling its professional and civic responsibility before society, the country, and the law, the Georgian Ministry of Internal Affairs and its lower echelons have carried out specific work aimed at rectifying the criminal situation in the country that has become extremely complex.

It is known that, some four or five months ago, many Georgian regions, villages and towns, including Tbilisi, were, to all intents and purposes, dead; automatic gunfire could be heard day and night, people were afraid of going out onto the streets, armed bands were committing outrages on Georgia's highways and robbing citizens of our country and foreigners.

As a result of large-scale operations conducted by the Ministry of Internal Affairs and other operative measures, the criminal situation in the republic has improved appreciably; life has returned to regions, towns, and villages and the highways have started to function again.

All this has been done by overcoming great difficulties and suffering great casualties. Parallel to the fight against crime, 5,000 policemen have been safeguarding public order in western Georgia for months; the police have been cleansed of unworthy employees, the structure has been improved, and services both in the central apparatus and at lower levels have been staffed with honest and qualified cadres. The police have been equipped with firearms, machinery, and special equipment. All this has produced definite results. The criminal world has suffered a powerful blow.

However, as they say, we are still a long way from achieving the desired results.

The criminal situation in the republic is, nevertheless, still serious. Corruption, terrorist acts, banditry, and other manifestations of organized crime, drug addiction and the drugs business, and the mafia clans are creating a serious threat to the state and society; any attempt to restore the economy and develop healthy business is destroyed in its early stages and the syndrome of impunity has not been eradicated.

The prevailing situation is setting new tasks for the internal affairs bodies. We wish to state openly: The republic's internal affairs bodies are beginning a second stage in the fight against crime, the basic directions of which are the irreconcilable and decisive struggle against organized crime, corruption, drug addiction and the drugs business, racketeering, and mafia clans.

Beginning the most important stage in the struggle for law and order, employees of the internal affairs bodies understand very well that we will achieve success in this struggle only if we receive the support of the whole of society, a political atmosphere of irreconcilability in the face of organized crime, corruption, drug addiction and the drugs business, racketeering, and financial machinations is created in the country, and clear-cut public opinion takes shape.

Great hope for this support appeared at the press conference held in the Ministry of Internal Affairs on 19 August to which the leaders of those interested political parties who wished to express their position regarding the fight against crime and the establishment of stability in our country were invited along with journalists.

In spite of the fact that the representatives of the parties who came to the press conference do not agree with one another on many issues and often hold sharply opposing positions, all unanimously supported the measures that are now being implemented by the Ministry of Internal Affairs. They unanimously supported the start of the second stage of the fight against crime and they expressed their complete readiness to support the police in the fight against organized crime, corruption, drug addiction and the drugs business, and mafia clans by using political methods and mobilizing public opinion.

Such an opinion was expressed by representatives from among our country's leading scholars.

The dominant theme in the speeches of the representatives of both parties and scholars was the view that this action begun by the internal affairs bodies represents an important step along the path toward strengthening Georgia's statehood, which calls for universal support.

At this point, I would like to state that, in this struggle, along with public support, I sense aid and support coming from the republic's Procurator's Office, the Ministry of Defense, and the Security Service. It is known what significance joint coordinated actions on the part of the power structures have.

Every Georgian police employee is well aware of the complexity and significance of the second stage of the fight against crime. The appropriate forces have already been mobilized, the necessary operational information is being collected and processed, and all services and levels have been tasked appropriately.

At the same time, I would like the population to know: All measures will be implemented by the internal affairs bodies in full conformity with the law. Each fact of violation of a citizen's presumed innocence and infringement of his rights and dignity will be severely punished.

In addition, we would like to issue a severe warning to everyone who will offer armed resistance to the police: The severest measures will be taken against them, including liquidation on the spot.

I would like once more to assure the population of our country that the leadership in the Ministry of Internal Affairs and its 50,000-strong staff will not spare their efforts, energy, or even lives in order to save our society from organized crime, corruption, drug addiction and the drugs business, and mafia clans and restore law and order in our country.

[Signed] Shota Kviraia, Republic of Georgia minister of internal affairs

Tbilisi Police Uncover Gold-for-Drugs Scam

MM0609160994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Sep 94 p 1

[Report by M. Aydinov from "i" column: "Twenty-Four Carat Pie"]

[Text] An underground shop producing highest quality gold has been discovered by Tbilisi police officers. Under the sign of "Pies" the skilled craftsmen, who could have been envied by Count Geoffroi de Peyerak [surname as transliterated; allusion unknown], contrived to "strip" milligrams of precious metal from microcircuit and printed circuit board components. The gold was then sent to the North Caucasus and exchanged for drugs, after which the barter commodity migrated back to Georgia.

Tea Harvest Faces Major Shortfall

LD0209133994 Moscow INTERFAX in English 1110 GMT 2 Sep 94

[Text] Georgia, a major CIS tea producer, will harvest 120,000 tons of tea this year, not the 300,000 tons projected, Ramaz Patskhava, chief of the Georgian firm Sak Chai Sutropici told Interfax.

The reduction mirrors last year's situation when instead of the planned 300,000 tons only 135,000 tons were harvested resulting in only 33,000 tons of tea being produced.

Georgia has 167 tea-processing plants with production capacities enabling an output of far more than the targeted 300,000 tons. Many of these facilities are idle due to power shortages and inadequate funds.

Patskhava also reported that Georgia was to deliver to CIS countries around 40,000 tons of tea on intergovernmental agreements for 1994 - 10,000 earmarked for Russia, 6000 tons - for Turkmenia, 2000-3000 tons - for Ukraine, and the same amount for Kazakhstan. Georgia itself requires less than 4000 tons of tea.

In the 80s, great years for tea production, Georgia harvested up to 500,000 tons of top-grade tea leaf, covering the former USSR's tea requirements by 90 percent. Since then former USSR republics have increasingly importing tea from India and other "far abroad" states. Russia purchased 54,000 tons of tea in January-July 1994 for hard currency compared with 29,000 tons purchased for currency over the same period last year.

Lithuania

Shumeyko Discusses Kaliningrad, Transit, MFN

LD0609163794 Vilnius Radio Vilnius Network in Lithuanian 1425 GMT 6 Sep 94

[Text] Andrey Shumeyko, chairman of the Federation Council and Upper Chamber of the Russian Federation Federal Assembly, concluded his two-day official visit to Lithuania today. A news conference held by the chairman in Vilnius has ended. Here is Guoda Salciute with her report:

[Salciute] Interparliamentary cooperation, Russia's military transit through Lithuania and an agreement on it, demilitarization of the Kaliningrad region, most favored nation status, and differences between the Lithuanian and Russian opposition—those were the questions asked at the news conference held by Vladimir Shumeyko today at the conclusion of his visit to Lithuania.

Describing the results of the visit Vladimir Shumeyko said: Troops have been withdrawn from Germany, Latvia, and Estonia, and the military transit goes on. The provisional agreement signed on military transit to the Kaliningrad region through Lithuania is valid until the withdrawal of Russian troops from Germany. The withdrawal of the troops has been completed. Lithuanian and Russian groups of negotiators are holding talks on military transit and the movement of civilians. We succeeded in separating two problems—the military transit and most favored nation status.

According to Vladimir Shumeyko, Russia will start applying most favored nation status to Lithuania in the very near future. Vladimir Shumeyko also said that he believes that the rules of military transit which will be confirmed by the Lithuanian government will also be accepted by Russia.

According to Vladimir Shumeyko, during the visit he and his colleague Ceslovas Jursenas became convinced once again that interparliamentary cooperation of deputies and their groups is necessary. They could observe the fulfillment of the agreements in both countries.

Replying to a question on why the militarization of the Kaliningrad region is continuing, Vladimir Shumeyko said, first of all, one should ascertain the meaning of demilitarization and militarization. According to him, there is not much army in the region. He cited figures: Currently there are 26,000 servicemen, including their families, there are 96,000 people. This is a very small percentage in the number of 1 million residents in the Kaliningrad region. Thus, according to Vladimir Shumeyko, the army in the Kaliningrad region is so small that there is no need to talk about a threat. He also thinks that the presence of the army facilitates economic growth of the region.

Vladimir Shumeyko also stressed at the news conference that the Kaliningrad region is part of Russian territory and Russia decides what to do there.

Comparing the oppositions in Russia and Lithuania, Vladinir Shumeyko said that he had an interesting meeting with the opposition leader, Vytautas Landsbergis, and added that he could not imagine, for example, a meeting of the official representative of some country with the representative of the Russian opposition, Anpilov.

Vladimir Shumeyko also spoke of the Lithuanian embassy buildings abroad which belonged before the war to Lithuania and are at present under the disposal of Russia. In his view, if there are documents concerning the right of ownership, these buildings should be returned to Lithuania.

Comments on Chechen Issue

LD0709083094 Moscow 2x2 Television in Russian 0630 GMT 7 Sep 94

[Text] The situation in Chechnya would have developed differently if Moscow had started a dialogue with official Groznyy more quickly and decisively. Vladimir Shumeyko, chairman of the Russian Federation Council, expressed this opinion at a news conference in Vilnius.

He believes that, since the well-known resolution of the Russian Congress of People's Deputies on the illegality of the election of Dudayev as president of Chechnya has lost its legal force, the Russian president should have entered into talks with him. Neither talks today with the Dudayev regime nor interference by Russia in Chechen affairs are possible, Shumeyko stated.

He was skeptical about the peace-making mission which Ruslan Khasbulatov has taken upon himself, recalling that relations between Moscow and Groznyy left their normal channel to a large extent due to the actions of the former speaker.

Says 'Satisfied' With Visit

LD0609201894 Moscow ITAR-TASS in English 1631 GMT 6 Sep 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius 6 Sep (TASS) —Chairman of the Russian Federal Assembly (upper house of parliament) Vladimir Shumeyko ends his two- day visit to Lithuania today. He held a meeting with Lithuanian Foreign Minister Povilas Gylys this morning, followed by a visit to the city of Trakai, and addressed a press conference in the afternoon.

Replying to an ITAR-TASS query about the results of the visit, Shumeyko noted that he is satisfied with them. I represent the lawmaking authority of russia, He noted, but the significance of my meetings with the president of Lithuania, chairman of the Sejm (parliament) and the prime miister go beyond the framework of interparliamentary ties, since I had to discuss questions concerning our interstate relations.

The Federal Assembly chairman said that if the Lithuanian Government rapidly prepares and approves rules and regulations applicable to Russian military shiments through the republic's territory, if they conform to existing international practice and adopted norms, and "would not change every month, then russia will recognize them and sign an agreement to this effect. The Lithuanian leadership has agreed to the way the question was put, that is why, I think a document on intergovernmental level might be signed this september. This is the main thing we agreed to during my visit."

The Russian delegation led by the Federal Assembly chairman returns to Moscow tonight.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.